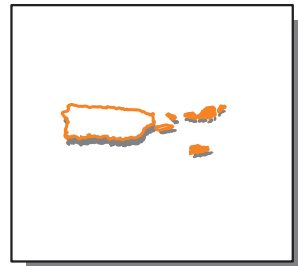
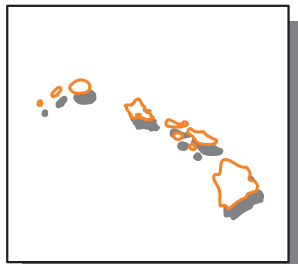
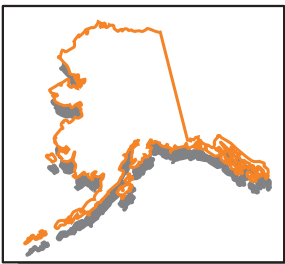
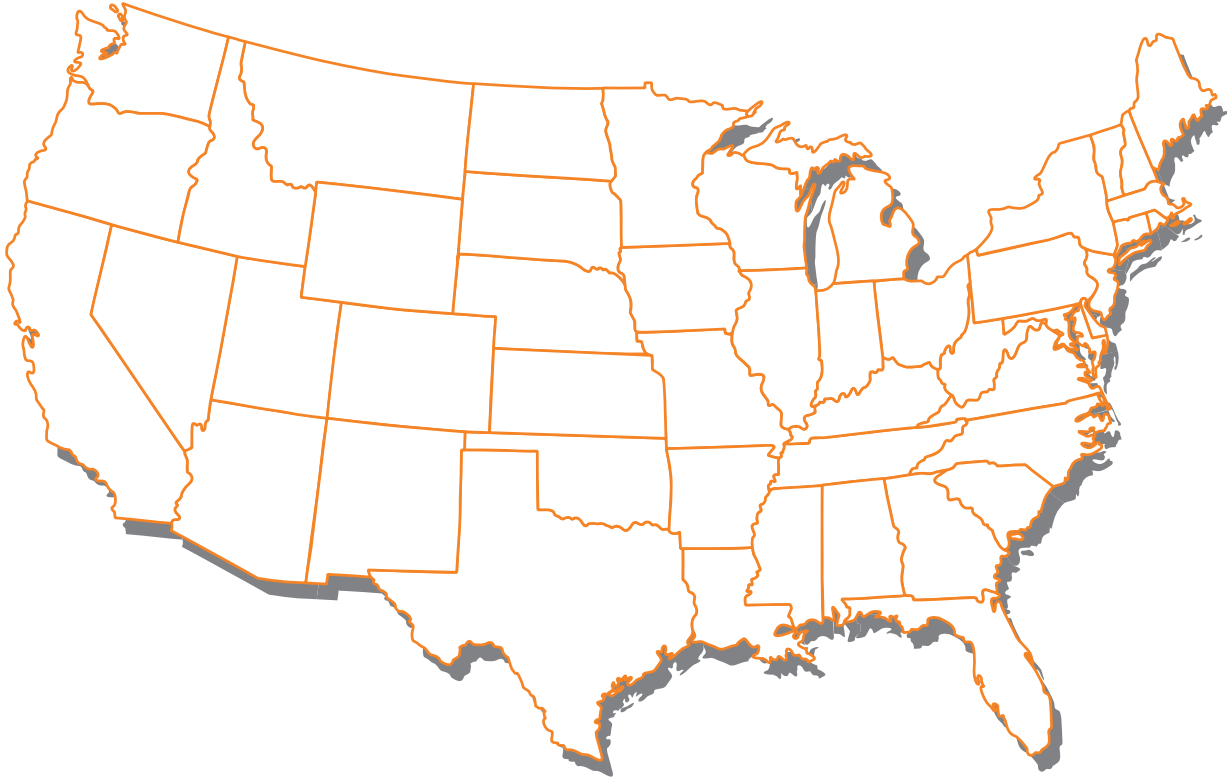




Regional Activity



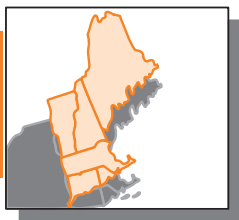
The following summaries of housing market conditions and activities have been prepared by economists in the U.S. Department of Housing and Urban Development's (HUD's) field offices. The reports provide overviews of economic and housing market trends within each region of HUD management. Also included are profiles of selected local housing market areas that provide a perspective of current economic conditions and their impact on the housing market. The reports and profiles are based on information obtained by HUD economists from state and local governments, from housing industry sources, and from their ongoing investigations of housing market conditions carried out in support of HUD's programs.



Regional Reports

NEW ENGLAND

HUD Region I*



After declining from 2008 through 2010, nonfarm payrolls in the New England region grew by 50,300 jobs, or 0.7 percent, during the 12 months ending June 2011 compared with a decrease of 174,700 jobs, or 2.5 percent, during the previous 12 months. The professional and business services sector, which added 19,100 new jobs, increasing by 2.3 percent, produced the most significant turnaround in the region after losing 29,800 jobs, a 3.4-percent decrease, during the previous 12 months. The education and health services and the leisure and hospitality sectors grew by 22,700 and 17,700 jobs, or 1.7 and 2.8 percent, respectively. The retail trade subsector and the manufacturing sector added 7,900 and 3,500 jobs, or 1.0 and 0.6 percent, respectively. During the 12 months ending June 2011, the government sector contracted by 1.2 percent, or 11,500 jobs, nearly 60 percent of which were in the local government subsector, which declined by 6,800 jobs, or 1.1 percent. Job losses in the construction sector slowed to 4,000 jobs, or 1.7 percent, following a decrease of 33,200, or 12.4 percent, during the previous 12 months, as capital markets stabilize throughout the region. The financial activities sector lost 2,900 jobs, a 0.6-percent decrease, compared with a decline of 18,400 jobs, or 3.9 percent, a year earlier.

For the first time since 2007, nonfarm payrolls increased in every New England state during the 12 months ending June 2011. Payrolls increased at the fastest rate in Vermont, which added 4,300 jobs, a 1.4-percent gain, after losing 6,200 jobs, a 2.0-percent decline, during the previous 12 months. The most significant gains were in the leisure and hospitality and professional and business services sectors, up 1,600 and 1,200 jobs, or 5.0 and 5.5 percent, respectively. Massachusetts accounted for 53 percent of the net job gain in the region during the 12 months ending June 2011. Massachusetts payrolls increased by 26,500 jobs, or 0.8 percent, compared with a loss of 65,800 jobs, or 2.0 percent, during the previous 12 months. The education and health services, leisure and hospitality, and professional and business services sectors increased by 12,100, 7,200, and 7,200 jobs, or 1.8, 2.4, and 1.6 percent, respectively. Connecticut gained 11,600 jobs, a 0.7-percent increase, compared with a loss of 59,000 jobs, a 3.5-percent

decrease, during the previous 12 months. The government sector and the construction subsector declined by 2,500 and 1,300 jobs, or 2.3 and 2.6 percent, respectively, partially offsetting gains of 7,000 and 5,900 jobs, or 2.3 and 3.2 percent, respectively, in the education and health services and professional and business services sectors. Nonfarm payrolls in New Hampshire, Rhode Island, and Maine grew at a moderate pace, up 4,000, 2,200, and 1,800 jobs, or 0.6, 0.5, and 0.3 percent, respectively, during the 12 months ending June 2011. During the 12 months ending June 2011, the unemployment rate in the New England region averaged 8.2 percent, down from the 8.6-percent rate during the previous 12 months and below the 9.3-percent national average. Average unemployment rates in each state ranged from 5.4 percent in New Hampshire to 11.2 percent in Rhode Island.

Despite moderate employment gains and low interest rates, New England home sales markets have remained soft since the middle of 2010. During the 12 months ending June 2011, sales declined in all six states in the region compared with the sales during the previous 12 months, when homebuyer tax credits helped stimulate sales. According to the Massachusetts Association of REALTORS® (MAR), during the 12 months ending June 2011, existing home sales totaled 34,550, down 18 percent compared with sales during the previous 12 months, but unchanged from the number of homes sold during the 12 months ending June 2009. The median sales price in June 2011 declined 2 percent to \$325,850 compared with June 2010 prices. In Connecticut, during the 12 months ending June 2011, Hanley Wood, LLC reported 23,000 existing home sales, a decrease of 22 percent compared with sales during the previous 12 months. In June 2011, the median sales price declined by 3 percent, to \$263,400, compared with prices in June 2010. The Rhode Island Association of REALTORS® (RIAR) reported that, during the 12 months ending June 2011, existing home sales decreased by 23 percent to 6,225, compared with sales during the previous 12 months. In the second quarter of 2011, the median sales price declined 2 percent to \$205,000 compared with the median price during the second quarter of 2010.

The Maine Real Estate Information System, Inc., reported that, during the 12 months ending June 2011, existing home sales totaled 9,275, down 20 percent compared with sales in the previous 12 months. During the second quarter of 2011, the median sales price was \$167,000, down 2 percent from a year earlier. According to the Northern New England Real Estate Network (NNEREN), during the 12 months ending June 2011, new and existing homes sales in New Hampshire and Vermont decreased by 14 and 15 percent to 10,000 and 3,775, respectively, compared with the previous 12 months. In June 2011, the median sales price declined 4 percent in New Hampshire, to \$220,000, but increased 5 percent in Vermont, to \$211,000.

*For an explanation of HUD's regions, please turn to page 49 at the end of the Regional Reports section.

According to the Federal Housing Finance Agency, in the first quarter of 2011 (the most recent data available), home prices in the New England census region decreased by 3.3 percent compared with prices during the first quarter of 2010. This decrease represents the second lowest rate of price depreciation of the nine census regions, behind West South Central (Texas), and compares with a decline of 5.5 percent for the nation. According to LPS Applied Analytics, in June 2011, 100,500 loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), a 3.7-percent decline from June 2010. That number represents 6.4 percent of all home loans in the region, down from 6.5 percent in June 2010. The largest percentage-point declines were in Massachusetts and New Hampshire, from 6.4 and 5.4 percent in June 2010 to 5.9 and 4.9 percent, respectively, in June 2011. Vermont had the lowest rate in the region at 4.5 percent. The comparable national rate was 7.8 percent.

During the 12 months ending June 2011, condominium markets in New England suffered double-digit percent sales declines. According to the MAR, condominium sales in Massachusetts totaled 13,600 during the 12 months ending June 2011, down 23 percent compared with the previous 12 months and down 4 percent compared with the 12 months ending June 2009. In June 2011, the median condominium sales price increased 5 percent to \$298,750, compared with the median price in June 2010. According to Hanley Wood, LLC, condominium sales in Connecticut decreased by 29 percent, to 6,100, during the 12 months ending June 2011 compared with sales during the previous 12 months. In June 2011, the median sales price declined by 3 percent to \$175,000. In Rhode Island, the RIAR reported that condominium sales declined by 19 percent, to 1,075, during the 12 months ending June 2011 compared with the previous 12 months' total. In the second quarter of 2011, the median sales price was down 4 percent to \$173,000 compared with the median price a year earlier. During the 12 months ending June 2011, NNEREN reported that condominium sales in New Hampshire and Vermont decreased by 21 and 20 percent to 2,425 and 890, respectively. In June 2011, median prices in the two states declined by 12 and 9 percent to \$155,000 and \$179,450, respectively.

Decreasing sales and continued tight credit standards caused a decline in single-family home construction activity, as measured by the number of building permits issued. During the 12 months ending June 2011, based on preliminary data, 10,200 new single-family homes were permitted, a 12-percent decrease compared with the number permitted during the previous 12 months, but a 4-percent increase from a year earlier. All six states posted declines in single-family home construction, with Rhode Island and Maine declining 23 and 18 percent, to 630 and 1,450 homes, respectively. New construction in New Hampshire and Vermont decreased 15 and 10 percent, to 1,340 and 490 homes permitted, respectively. Despite declines of 9 percent each, to 4,290 homes and

2,000 homes, respectively, Massachusetts and Connecticut contain more than 60 percent of single-family home construction in the region.

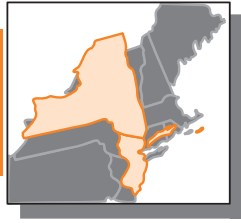
During the 12 months ending June 2011, multifamily construction, as measured by the number of multifamily units permitted, decreased in the region by 2 percent, to 5,300 units, compared with a decline of 4 percent to 5,400 units during the previous 12 months. Based on preliminary data, the number of multifamily units permitted increased 12 percent in Massachusetts, to 2,930 units, and increased minimally in Vermont and Rhode Island, to 150 and 70 units, respectively. Losses in Connecticut, New Hampshire, and Maine of 37, 17, and 6 percent to 855, 655, and 205 units, respectively, more than offset those gains. The number of multifamily units permitted in the Boston-Cambridge-Quincy, MA-NH metropolitan area increased by 14 percent to 2,675 units and represent more than 50 percent of multifamily building activity in the region.

New England rental markets were primarily balanced during the second quarter of 2011 but are tightening because production levels continue to be moderate. According to Reis, Inc., the Boston metropolitan area rental market had an apartment vacancy rate of 4.4 percent in the second quarter of 2011 compared with a 6.2-percent rate a year earlier. The addition of 1,040 new units in 2010 represented only 23 percent of the 4,500-unit average annual increase from 2006 through 2009. Fewer than 500 rental units are anticipated to enter the market during 2011. The market rent in Boston averaged \$1,754 in the second quarter of 2011, an increase of 2 percent, consistent with the annual average increase for the past 5 years. In Fairfield County, Connecticut, the apartment vacancy rate was 5.1 percent, up slightly from 4.9 percent a year earlier, primarily because 1,200 new units entered the market in 2010, more than 3 times the average annual production level for the past 3 years. The average market rent was \$1,812, an increase of almost 4 percent compared with rent during the second quarter of 2010. In Providence, during the second quarter of 2011, the apartment vacancy rate decreased to 5.2 percent from 7.5 percent during the second quarter of 2010. After averaging nearly 500 new units annually from 2006 through 2009, Providence added virtually no new units in 2010 and none are anticipated for 2011. During the past 12 months, rents have been almost flat. In central and southern Connecticut, the Hartford and New Haven apartment markets are tight. The apartment vacancy rates in Hartford and New Haven are 3.8 and 2.5 percent, down from 5.6 and 2.9 percent, respectively, in the previous 12-month period. New production in Hartford was moderate after averaging about 400 new units annually from 2006 through 2009. One new downtown project of 500 units in 2010 accounts for almost all recent rental production in New Haven. Rent increases in Hartford and New Haven during the past 12 months were just under 2 percent each, to \$987 and \$1,120, respectively.



NEW YORK/ NEW JERSEY

HUD Region II



In the New York/New Jersey region, nonfarm payroll jobs increased in the past 12 months but remain below the peak of more than 12.8 million jobs recorded during the third quarter of 2008. During the 12 months ending June 2011, nonfarm payrolls increased by 33,900 jobs, or 0.3 percent, to 12.4 million, a significant improvement compared with the loss of nearly 260,600 jobs, or 2.1 percent, during the previous 12 months. New York State added 47,700 jobs, amounting to 0.6 percent growth, and nonfarm payrolls increased to an average of 8.6 million jobs. In New Jersey, the decline that began in 2008 continued with a loss of 13,800 jobs, or 0.4 percent, to an average of 3.8 million jobs. The decrease in New Jersey was significantly less than the loss of 106,700 jobs, a 2.7-percent decline, during the 12 months ending June 2010. In New York City (NYC), nonfarm payrolls increased by 33,100 jobs, or 0.9 percent, to 3.7 million jobs during the 12 months ending June 2011.

During the 12 months ending June 2011, nonfarm payroll gains in the New York/New Jersey region were greatest in the education and health services, professional and business services, and leisure and hospitality sectors. The education and health services sector recorded an increase of nearly 46,100 jobs, or 2.0 percent, with gains of nearly 38,400 jobs, or 2.3 percent, in New York and 7,700 jobs, or 1.3 percent, in New Jersey. The professional and business services sector increased by 35,700 jobs, or 2.1 percent, with New York accounting for more than 80 percent of the job gain. The leisure and hospitality sector expanded by 22,000 jobs, a 2.1-percent increase, adding 19,900 jobs in New York and 2,075 jobs in New Jersey, increases of 2.8 and 0.6 percent, respectively. In NYC, the education and health services and professional and business services sectors led job growth, gaining 20,150 jobs, or 2.7 percent, and 19,350 jobs, or 3.4 percent, respectively. Offsetting part of the job gain in the region, the government sector declined by 62,600 jobs, or 2.9 percent, with decreases of 39,600 jobs, or 2.6 percent, in New York and 22,950 jobs, or 3.5 percent, in New Jersey. All levels of government recorded losses, but more than 60 percent of the decline in the region occurred because of budget cuts in the local government subsector. The construction subsector and manufacturing sector registered job declines of 15,600 and 11,400, or 3.5 and 1.6 percent, respectively. The construction subsector decreased by 11,250 jobs, or 3.6 percent, in New York and by 4,350 jobs, or 3.3 percent, in New Jersey. The manufacturing sector recorded a 1.7-percent, or 4,475-job, decrease in New Jersey and a

1.5-percent, or 6,900-job, decline in New York. During the 12 months ending June 2011, average unemployment rates decreased from 9.0 to 8.6 percent in the region, from 8.8 to 8.2 percent in New York, and from 9.6 to 9.3 percent in New Jersey.

In the second quarter of 2011, sales housing markets in the region were softer than they were in the preceding quarter but were relatively unchanged from a year earlier. According to data from the New York State Association of REALTORS®, during the 12 months ending June 2011, the number of existing single-family home sales in the state (excluding parts of NYC) declined by nearly 23 percent, to 67,250 homes, compared with the number sold during the same period a year earlier. The median price of an existing home increased 5 percent to \$210,000 as of June 2011. The Greater Rochester Association of REALTORS® reported a 27-percent decline in sales, to 8,800 homes sold, and an unchanged median price of \$120,000 in the Rochester metropolitan area during the 12 months ending June 2011. In the Albany-Schenectady-Troy metropolitan area, the Greater Capital Association of REALTORS® reported that home sales declined 27 percent to nearly 6,550, and that the median sales price remained unchanged at \$190,000 during the 12 months ending June 2011. According to the Buffalo Niagara Association of REALTORS®, during the 12 months ending June 2011, home sales declined by 24 percent to 7,750 homes and the median price decreased by 1 percent to \$118,000.

The NYC home sales market was slightly soft during the second quarter of 2011, relatively unchanged compared with the second quarter of 2010. Prices decreased in Manhattan and sales fell significantly in Queens. Prudential Douglas Elliman Real Estate reported that, during the 12 months ending June 2011, existing condominium and cooperative unit sales in Manhattan, Brooklyn, and Queens decreased 11 percent to 28,200 units compared with the number sold during the 12 months ending June 2010. The average sales price rose by more than 11 percent to \$814,500 in June 2011, and the average number of days a home remained on the market declined to 119, which is 5 days fewer than the average during the 12 months ending June 2010. During the past year, home sales increased nearly 2 percent to 10,000 in Manhattan, and the median price declined more than 5 percent to \$850,000. The current level of home sales in Manhattan is 3 percent less than the average annual rate of 10,350 homes sold from 2007 through 2009. Home sales declined by 1 percent to 7,675 in Brooklyn, where the median price increased nearly 4 percent to \$480,000. In Queens, home sales declined 25 percent to 10,550 in response to the expiration of the federal homebuyer tax credit, and the median price increased by 2 percent to \$342,000.

In New Jersey, home sales markets are increasingly soft compared with the previous quarter and the previous year because of declining sales and prices. According to data from the New Jersey Association of REALTORS®,

the number of existing homes sold during the 12 months ending March 2011 (the latest information available) decreased by 9,400 homes, or 8 percent, to 109,400 homes sold compared with the 118,800 homes sold during the previous 12 months. The median sales price of a home in New Jersey decreased 4 percent to \$280,900. All three regions of the state reported decreased home sales, with declines of 13 percent in Southern New Jersey and 6 percent in both Central and Northern New Jersey, to 26,900, 29,100, and 53,400 homes sold, respectively. Median sales prices declined by 5 percent in Central New Jersey, to \$298,600, and by 4 percent in both Northern and Southern New Jersey, to \$360,000 and \$198,700, respectively.

In June 2011, according to LPS Applied Analytics, the number of loans in the region that were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) increased by 15,700, or 7 percent, to 248,500 compared with the number of distressed loans in June 2010. This level represents a rate of 8.7 percent of all loans in June 2011 compared with a rate of 8.2 percent a year earlier. The rates rose from 9.1 to 9.9 percent in New Jersey and from 7.6 to 7.9 percent in New York. In June 2011, the national rate was 7.8 percent.

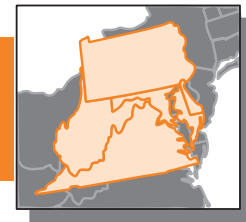
Builders responded to softer sales market conditions in the New York/New Jersey region by reducing single-family homebuilding; however, construction of multi-family units increased in both states. During the 12 months ending June 2011, based on preliminary data, the number of single-family homes permitted in the region decreased by 11 percent, to 12,525 homes, compared with a 1-percent increase recorded during the same period a year earlier. The current level of single-family permits issued amounts to approximately 55 percent of the average annual 23,000 homes permitted in the region from 2007 through 2009. Single-family home construction decreased by 820, or 13 percent, to 5,550 homes in New York and by 660, or 9 percent, to 6,975 homes in New Jersey. During the 12 months ending June 2011, multifamily building activity, as measured by the number of units permitted, increased by 4,975 units, or 40 percent, to more than 17,550 units compared with a 27-percent decrease during the previous 12 months, based on preliminary data. The number of permits issued for multifamily units increased by 3,075, to a total of 10,900 units, in New York and by 1,900, to 6,675 units, in New Jersey, increases of approximately 40 percent in each state. The current level of multifamily units permitted in the region amounts to 47 percent of the average annual 37,100 units permitted from 2007 through 2009. As indicated by the McGraw-Hill Construction Pipeline database, apartments account for 75 percent of the 20,200 multifamily units under construction in the region and 95 percent of the 8,700 units under way in NYC.

Tight rental market conditions in the region became tighter compared with conditions during the first quarter of 2011 and a year earlier, as shown by declining vacancy rates and rising rents. Conditions were balanced to tight in

Upstate New York and New Jersey, and NYC remained one of the tightest markets in the country. According to Reis, Inc., in the second quarter of 2011, the apartment vacancy rate in NYC was 2.8 percent, down from the 3.0-percent rate recorded a year earlier, and the average asking rent increased by 4 percent to more than \$2,900. On Long Island, the vacancy rate declined slightly from 3.7 to 3.6 percent and rents increased by more than 2 percent to \$1,580. In Westchester, where the market tightened, the vacancy rate fell from 4.5 to 3.3 percent and rents increased by more than 2 percent to \$1,880. In the Rochester metropolitan area, the vacancy rate decreased from 4.7 to 3.6 percent and the average rent increased nearly 3 percent to \$780. The Syracuse metropolitan area market tightened, with the vacancy rate declining from 5.8 to 3.4 percent and the average rent increasing 2 percent to \$700. In the Buffalo metropolitan area, the vacancy rate decreased from 5.7 to 4.1 percent and the average rent increased nearly 2 percent to \$740. In Central New Jersey, the vacancy rate declined from 4.1 to 3.5 percent and the average rent increased by nearly 2 percent to \$1,170. In Northern New Jersey, the vacancy rate decreased from 5.1 to 4.4 percent and the average rent increased by more than 2 percent to \$1,525.

MID-ATLANTIC

HUD Region III



After a 2-year period of decline, the Mid-Atlantic region added 100,400 nonfarm payroll jobs during the 12 months ending June 2011 to average nearly 13.7 million jobs, up from 13.6 million jobs, less than a 1-percent increase from the previous year. The education and health services and the professional and business services sectors added 41,130 and 40,980 jobs, 1.8- and 2.1-percent gains, respectively. After declining during 2009 and 2010, the retail trade subsector slowly began to add jobs at the beginning of 2011. During the 12 months ending June 2011, the subsector added 10,700 jobs, a nearly 1-percent increase from the previous 12-month period. The wholesale trade subsector added 5,800 jobs, up more than 1 percent from the previous year. The leisure and hospitality sector added 9,500 jobs, up 0.8 percent, and the federal government subsector increased by 0.9 percent, adding 6,130 jobs. The manufacturing sector reported a job gain for the first time in more than a decade, adding 1,630 jobs, an increase of nearly 0.2 percent. The construction subsector reported a decline of slightly more than 0.5 percent, or 3,250 jobs.

During the 12 months ending June 2011, Pennsylvania added nearly 50,300 jobs, up 1 percent from the previous year. The state added 23,200 jobs in the education and



health services sector, an increase of more than 2 percent, which accounted for 56 percent of all job gains in the sector in the region. Pennsylvania also added 6,500 manufacturing jobs, a 1-percent increase over jobs in the sector during the 12-month period ending June 2010, which offset the net sector job loss in the rest of the region. Manufacturing payroll gains were concentrated in Pittsburgh and small metropolitan areas in the central and western part of the state. Nonfarm payroll jobs in Virginia increased by 0.5 percent during the 12-month period ending June 2011, up 18,760 jobs from the previous year. The state added 16,800 professional and business services jobs, an increase of nearly 3 percent. West Virginia added 6,650 jobs, a 0.9-percent gain, with the most significant growth of 2,110 jobs, or nearly 2 percent, occurring in the education and health services sector. Delaware reported a 0.5-percent increase in nonfarm payrolls, up 2,080 jobs, with the largest increase of 2,150 new jobs, or more than 5 percent, in the leisure and hospitality sector. Gains in the aforementioned states are significant because, for the second consecutive quarter, these states also reported 3-month gains over the corresponding quarter of 2010. The District of Columbia and Maryland added 6,470 and 6,190 jobs, 0.9- and 0.3-percent increases, respectively, during the 12 months ending June 2011. Both, however, reported job declines during the 3 months ending June 2011 compared with the 3 months ending June 2010. During the 12 months ending June 2011, the unemployment rate in the region averaged 7.6 percent, down from the 8-percent rate recorded during the 12 months ending June 2010. Average unemployment rates among the states in the region ranged from 6.5 percent in Virginia to 9.9 percent in the District of Columbia.

Home sales market conditions in the Mid-Atlantic region were soft in the second quarter of 2011, unchanged from the preceding quarter. During the 12 months ending June 2011, total sales declined as the market adjusted to the expiration of the homebuyer tax credit that stimulated sales during 2010. According to the Maryland Association of REALTORS®, existing home sales in Maryland totaled 49,700, down 15 percent compared with the 57,300 homes sold during the 12 months ending June 2010, and the average sales price declined 2 percent to \$286,700 from \$292,700. In the Baltimore metropolitan area, 21,900 homes sold, down 15 percent from the 25,800 sold the previous year, according to Metropolitan Regional Information Systems, Inc. (MRIS®). Prices declined by nearly 3 percent to average \$268,000 compared with \$276,000 during the previous year.

Sales market conditions also were soft in Virginia. For the second quarter of 2011, the Virginia Association of REALTORS® reported a 15-percent decline in existing homes sales, to 23,400 homes sold, while the median sale price decreased 2 percent to \$235,000 from \$239,900. In the greater Richmond area, during the second quarter of 2011, home sales declined by 18 percent to 3,500 homes, and the median price decreased by 7 percent to \$178,700.

During the first quarter of 2011 (the most recent data available), the resale markets declined in Delaware and Pennsylvania but increased in West Virginia, according to the NATIONAL ASSOCIATION OF REALTORS®. The seasonally adjusted annual home sales rate decreased nearly 7 percent in Delaware and 4 percent in Pennsylvania, to 11,200 and 160,000 homes, respectively. Home sales increased in West Virginia by nearly 8 percent to a seasonally adjusted annual rate of 28,400 homes sold, still less than the 16-percent increase during the previous year. According to MRIS®, 6,200 homes sold in the District of Columbia during the 12 months ending June 2011, down 15 percent from the 7,300 homes sold during the previous year. Despite the decline, average home prices increased by 7 percent to \$511,800 from \$479,500. According to LPS Applied Analytics, during June 2011, the percentage of home loans that were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in the region declined to 5.8 from 6.3 percent during June 2010, significantly less than the 7.8-percent rate for the nation.

Single-family home construction declined in the region as a result of soft sales market conditions. Homebuilding activity, as measured by the number of single-family building permits issued, decreased by 3,925, or 10 percent, to a total of 35,900 homes during the 12 months ending June 2011 compared with a 9-percent increase during the previous 12-month period, based on preliminary data. The largest percentage declines occurred in Delaware, down 20 percent to 2,400 homes, and West Virginia, down 22 percent to 1,175 homes. Single-family home construction decreased 9 percent each in Virginia, Maryland, and Pennsylvania, to 13,500, 7,500, and 11,000 homes, respectively. In contrast, construction activity in the District of Columbia increased by 110 homes to total 250. Overall, construction activity declined in the region's major metropolitan areas. The largest decreases occurred in the Philadelphia metropolitan area, down 12 percent to 4,800 homes, followed by the Baltimore metropolitan area, down 8 percent to 3,300 homes, and the Washington, D.C. metropolitan area, down 6 percent to 9,100 homes.

According to preliminary data for the 12 months ending June 2011, the number of multifamily units permitted in the Mid-Atlantic region increased by 2,480 to 13,600 units, up 22 percent compared with a 10-percent decline during the 12 months ending June 2010. All of the increased construction, however, occurred in Virginia and the District of Columbia, where the number of multifamily units permitted increased by 46 and 120 percent, to totals of 5,860 and 2,300 units, respectively. Reductions in multifamily production occurred in Maryland, Pennsylvania, Delaware, and West Virginia, which recorded 14-, 5-, 9-, and 27-percent decreases to totals of 2,590, 2,240, 480, and 130 units permitted, respectively. According to the McGraw-Hill Construction Pipeline database, approximately one-half of the multifamily units under construction in the region are condominiums

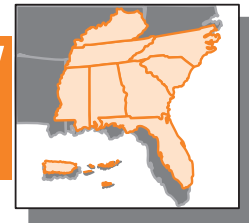
and nearly 40 percent of the condominiums under construction are located in Virginia and the District of Columbia.

Apartment market conditions throughout the region were mixed during the second quarter of 2011 but, in general, were tighter than during the first quarter of 2011 and the second quarter of 2010. In the Baltimore metropolitan area, vacancies rose in the suburban counties, where 700 units were in lease-up, when compared with the second quarter of 2010, but tightened in the city of Baltimore. Delta Associates reported that, from June 2010 to June 2011, the apartment vacancy rate increased from 4.0 to 6.9 percent in the suburban areas, where conditions are slightly soft. During the same period, vacancy rates fell from 13.5 to 5.5 percent in Baltimore city, where conditions are now balanced. Average rents in Baltimore city increased 4 percent, from \$1,620 to \$1,680, between June 2010 and June 2011. In the suburban areas, rents declined 1 percent, from \$1,420 to \$1,410. The apartment market in the Philadelphia metropolitan area was tight in the second quarter of 2011, unchanged from the previous quarter. Delta Associates reported that, from June 2010 to June 2011, vacancy rates in the Philadelphia suburbs decreased from 5.9 to 2.9 percent, and the average rent rose 3 percent, from \$1,400 to \$1,440. In the Center City Philadelphia submarket, during the same period, vacancy rates rose slightly from 1.9 to 2.4 percent, and conditions are still tight. Average rents in Center City increased nearly 9 percent, from \$2,000 to \$2,170.

In the Washington, D.C. metropolitan area, the suburban garden rental market was balanced in the second quarter of 2011, and, although the highrise market in the District of Columbia and suburban Maryland improved, it remained soft. According to Delta Associates, vacancy rates in Class A garden apartments in the Northern Virginia and suburban Maryland submarkets were 5.5 and 5.1 percent, respectively, in June 2011, down from 9.1 and 5.2 percent, respectively, in June 2010. During the 12 months ending June 2011, garden apartment rents rose approximately 6 percent in Northern Virginia to average \$1,600 and increased nearly 3 percent in the Maryland suburbs close to Washington, D.C., to average \$1,575. Vacancy rates in highrise units during the same period decreased from 9.0 to 5.5 percent in Northern Virginia, from 13.8 to 8.5 percent in suburban Maryland, and from 16.2 to 10.9 percent in the District of Columbia. In June 2011, rents for highrise apartments averaged \$2,310 in Northern Virginia, \$2,280 in suburban Maryland, and \$2,600 in the District of Columbia, up 2, 3, and 2 percent, respectively, from June 2010.

SOUTHEAST/ CARIBBEAN

HUD Region IV



In the Southeast/Caribbean region during the 12-month period ending June 2011, nonfarm payrolls averaged about 25 million jobs, an increase of 50,100 jobs, or 0.2 percent, from the same period a year earlier. Job growth was mixed within the region, with the largest payroll gains occurring in Florida, Tennessee, and Kentucky, which increased by 26,400, 22,300, and 21,100 jobs, or 0.4, 0.9, and 1.2 percent, respectively. South Carolina, North Carolina, and Mississippi recorded job gains of 14,300, 11,500, and 5,800 jobs, or 0.8, 0.3, and 0.5 percent, respectively, during the same period. Nonfarm payrolls in Puerto Rico and Georgia declined by 19,000 and 5,100 jobs, or 2.0 and 0.1 percent, respectively. In Alabama, average nonfarm payroll jobs increased by only 500 compared with the average during the 12 months ending June 2010. The average number of jobs during second quarter of 2011 was down 3,600, or 0.2 percent, compared with the second quarter of 2010, however, reflecting the effects of the tornadoes that hit the state on April 27, 2011.

Three sectors led job gains in the Southeast/Caribbean region during the 12 months ending June 2011. The largest increase in payrolls, 108,600 jobs, or 3.5 percent, came from the professional and business services sector, which is often viewed by labor economists as a leading indicator of overall payroll growth because it includes employment by temporary employment agencies. All eight states, Puerto Rico, and the Virgin Islands recorded employment increases in the sector. The education and health services sector and the leisure and hospitality sector followed, with increases of 47,400 and 45,200 jobs, or 1.4 and 1.7 percent, respectively. Job losses in the region during the 12 months ending June 2011 primarily occurred in the government sector, which fell by 68,400 jobs, or 1.5 percent, and the construction subsector, which declined by 55,500 jobs, or 6 percent. Most of the government job losses occurred in the state and local government subsectors, which cut costs in response to budget shortfalls. During the 12 months ending June 2011, the average unemployment rate for the region decreased to 10.6 percent from 11 percent during the previous 12-month period. Florida was the only state to report an increase in the average unemployment rate, which rose from 11.1 percent to 11.4 percent in the state. During the past 12 months, unemployment rates ranged from 9.3 percent in Alabama to 15.9 percent in Puerto Rico.

Throughout the Southeast/Caribbean region, most sales housing markets are soft and will likely remain soft for some time because numerous distressed properties



remain available. During the past 12 months, however, the percentage of distressed loans declined in every state in the region. According to LPS Applied Analytics, in June 2011, 10.9 percent of home loans in the region were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down from 11.7 percent in June 2010. The rates of distressed loans in June 2011 ranged from 5.9 percent in Kentucky to 17.8 percent in Florida. The large number of distressed home loans and falling home prices in Florida has led to a rise in investor purchases in the state, resulting in increased home sales. According to data from Florida Realtors®, during the 12 months ending June 2011, existing single-family home and condominium sales in Florida increased by 4 and 16 percent, to 177,600 and 82,800 units sold, respectively, compared with the sales during the previous 12-month period. The year-to-date median sales price through June 2011 for single-family homes in the state decreased by 6 percent to \$129,400 compared with the median price during the same period in 2010; the year-to-date median price for condominiums decreased by 8 percent to \$87,500. In Miami, existing single-family home sales increased by 23 percent to 8,650. The median price of a home sold in Miami decreased by 9 percent to \$185,400 during June 2011 compared with June 2010. Condominium sales increased by 59 percent to 13,100, and the median price decreased by 7 percent to \$119,800 in June 2011.

The Alabama Center for Real Estate reported that approximately 34,000 new and existing homes and condominiums sold statewide during the 12 months ending June 2011, a 17-percent decrease from sales during the 12 months ending June 2010. The average sales price for homes and condominiums was about \$144,800, virtually unchanged from the 12 months ending June 2010. According to the Greater Louisville Association of REALTORS®, approximately 2,750 new and existing single-family homes and 300 condominiums sold in the Louisville metropolitan area during the second quarter of 2011, decreases of 22 and 27 percent, respectively, from the second quarter of 2010. The median prices for single-family homes and condominiums sold during the second quarter of 2011 decreased by 2 and 1 percent, to \$137,000 and \$120,800, respectively, compared with prices during the second quarter of 2010. The Lexington Bluegrass Association of REALTORS® reported that about 5,700 new and existing homes were sold in the Lexington metropolitan area during the 12 months ending June 2011, a 25-percent decrease from the previous 12 months. The average home sales price increased 1 percent to \$169,600. Approximately 450 condominiums and townhomes sold in Lexington during the 12 months ending June 2011, down 30 percent from sales during the previous 12 months, but the average price increased 14 percent to \$155,600.

According to the North Carolina Association of REALTORS®, Inc., during the 12 months ending June 2011, 76,500 existing homes sold in 21 reported areas, a 13-percent decrease compared with the previous 12-month

period. The statewide average price for homes sold remained virtually unchanged at approximately \$201,300. The number of homes sold decreased in the three largest metropolitan areas of the state; Charlotte, Greensboro-Winston Salem, and Raleigh recorded 10-, 16-, and 20-percent declines, respectively. The average home price in Charlotte and Raleigh increased by less than 1 and 2 percent, respectively, but in Greensboro-Winston Salem decreased by less than 1 percent. South Carolina REALTORS® reported 43,950 homes sold statewide during the 12 months ending June 2011, a 15-percent decrease from the number sold during the previous 12 months. The number of homes sold declined in 13 of the 15 reported areas. The statewide median price for homes sold, year to date through June 2011, decreased by nearly 2 percent to \$146,000. Median home prices decreased in 9 of the 15 markets reported.

According to the Knoxville Area Association of REALTORS®, in the 12 months ending June 2011, the number of new and existing single-family homes sold in the Knoxville area decreased by 21 percent, to 8,050, but the average sales price increased by 5 percent to about \$175,800. Knoxville condominium sales decreased by 20 percent to 880, and the average price declined by 4 percent to \$153,400. According to the Greater Nashville Association of REALTORS® new and existing single-family home and condominium sales decreased by 18 and 28 percent, to 15,750 and 2,050 units sold, respectively, during the 12 months ending June 2011. The median price for single-family homes decreased by 3 percent, from \$181,300 in June 2010 to \$176,300 in June 2011. The median price for condominiums increased by 3 percent, from \$145,000 in June 2010 to \$150,000 in June 2011.

Single-family home production continued a 6-year decline in the Southeast/Caribbean region during the past 12 months because of weak economic conditions and tight lending standards. Based on preliminary data, during the 12-month period ending June 2011, single-family homebuilding, as measured by the number of building permits issued, decreased in the region by 16,800 homes, or 15 percent, to 97,350, well below the average of 559,200 homes permitted annually from 2004 through 2007. Every state in the region recorded a decrease, ranging from a decline of approximately 3,750 homes, or 14 percent, in North Carolina to a decrease of 850 homes, or 20 percent, in Mississippi. The number of permits issued in the region remains near the lowest number recorded in more than 20 years.

Multifamily construction, as measured by the number of multifamily units permitted, also remained near historic lows in the Southeast/Caribbean region but appeared to be stabilizing following steep declines that began in 2007. According to preliminary data, during the 12 months ending June 2011, the number of multifamily units permitted in the region remained relatively unchanged at about 27,500 units, only 100 units fewer than during

the previous 12 months. By comparison, multifamily construction averaged about 121,300 units annually from 2004 through 2007. Permitting trends in the past 12 months varied widely throughout the region. Permits decreased by 1,450 units, or 50 percent, to 1,475 units in Alabama but increased by 1,750 units, or 23 percent, to 9,175 units in Florida and by 824 units, or 85 percent, in Kentucky.

Continued low levels of apartment construction and increased demand allowed many rental markets in the region to reach or approach balanced conditions during the second quarter of 2011. According to Reis, Inc., between the second quarter of 2010 and the second quarter of 2011, vacancy rates decreased in 19 of the 20 largest metropolitan areas in the region, with 15 markets reporting vacancy rates below 8 percent and 9 markets reporting vacancy rates below 7 percent. During the second quarter of 2011, Louisville recorded the lowest apartment vacancy rate in the region, 4.9 percent, down from 6.7 percent during the second quarter of 2010. Soft market conditions continued in Atlanta, Columbia, Greensboro-Winston Salem, Jacksonville, and Memphis despite vacancy rate declines ranging from 1.8 to 3.5 percentage points. In Atlanta and Miami, during the second quarter of 2011, the vacancy rates were 8.7 and 5.4 percent, respectively, down from 11.3 and 6.2 percent, respectively, during the second quarter of 2010. Between the second quarter of 2010 and the second quarter of 2011, average monthly rents increased or remained unchanged in all 20 markets. Average rents were up by more than 1 percent in Atlanta and Miami to \$853 and \$1,089, respectively. Of the 20 markets, 11 recorded rent increases between 1 and 2 percent.

MIDWEST

HUD Region V



Nonfarm payrolls increased in the Midwest region during the second quarter of 2011, the second consecutive quarter of job gains. In the 12 months ending June 2011, nonfarm payrolls increased 1.0 percent to 22.8 million jobs, a gain of nearly 189,000 jobs and only 6 percent below the 2007 peak of 24.3 million jobs. The professional and business services sector, up 3.9 percent, or 106,400 jobs, led the gains along with the manufacturing and the education and health services sectors, which increased by 2.4 and 2.0 percent, or 67,800 and 71,400 jobs, respectively. The construction subsector, down 2.2 percent or 17,300 jobs, the government sector, down 1.2 percent or 44,100 jobs, and the financial activities sector, down 1.2 percent or 15,000 jobs, showed the largest decreases in the region.

Each of the six states in the Midwest region posted job gains in the second quarter of 2011. Nonfarm payroll increases ranged from 13,100 jobs, or 0.5 percent, in Minnesota to 48,300 jobs, or 1.3 percent, in Michigan. Nonfarm payroll gains measured 18,500 jobs, or 0.7 percent, in Wisconsin and 22,400 jobs, or 0.8 percent, in Indiana. Two states reported larger gains: 42,100 jobs, or 0.8 percent, in Illinois and 44,200 jobs, or 0.9 percent, in Ohio. Stronger economic conditions led to lower unemployment rates in all six states, with rates ranging from 7.7 percent in Wisconsin to 11.1 percent in Michigan. For the region, the average unemployment rate for the 12 months ending June 2011 was 9.2 percent, down from the 10.6-percent rate reported for the 12 months ending June 2010.

Despite the stronger economy, home sales markets, which are soft in all six states, have softened since the previous quarter as new and existing home sales continue to decline. The Michigan Association of REALTORS® reported that, for the 12 months ending May 2011, home sales in the state fell 12 percent to 103,000 (the latest data available), but the average sales price increased 5 percent to \$107,100. In Indiana, home sales declined by 18 percent to 53,650 for the 12 months ending June 2011, while the average sales price increased 3 percent to \$133,900. In Wisconsin, the multiple listing service reported a 28-percent decrease in home sales for the four-county Milwaukee metropolitan area, to 10,250 sales, and the average sales price declined slightly, to \$202,700 from \$203,400, also for the 12 months ending June 2011. The Ohio Association of REALTORS® reported an 18-percent decrease in home sales to 91,250 and a 3-percent decline in the average sales price to \$129,700.

In Illinois and the Chicago metropolitan area, home sales and prices declined in the 12 months ending June 2011, according to the Illinois Association of REALTORS®. For the state, sales declined 21 percent to 94,850, and the median sales price dropped 12 percent to \$150,000 compared with sales and prices the previous year. In the nine-county Chicago metropolitan area, sales were down almost 20 percent, to 63,650, and the median sales price declined by 13 percent to \$180,000. In Minnesota, approximately 60,650 homes sold during the 12 months ending June 2011, down nearly 20 percent from the 75,600 homes sold the previous year, according to the Minnesota Association of REALTORS®, while the average sales price declined 3 percent to \$129,700. Foreclosure activity in the Midwest region was lower in June 2011 than in the previous year, with approximately 8 percent of home mortgages 90 or more days delinquent, in foreclosure or in REO (Real Estate Owned), according to LPS Applied Analytics, down from 8.6 percent of all home loans in June 2010.

Single-family homebuilding, as measured by the number of building permits issued, declined in the Midwest region, based on preliminary data. The number of single-family



homes permitted decreased by 14 percent to 38,500 compared with the number permitted during the 12 months ending June 2010. During the 12 months ending June 2011, single-family home construction activity declined in every state in the region except Michigan, where single-family homes permitted increased 6 percent to 6,125. In Illinois, Indiana, and Ohio, the number of homes permitted decreased by 16 percent each, to 5,325, 8,025, and 8,200 homes, respectively. In Wisconsin and Minnesota, the single-family homebuilding declines were 19 and 21 percent, to 5,550 and 5,275, respectively, for the 12 months ending June 2011.

Major metropolitan areas in the region also reported decreased single-family homebuilding activity during the 12 months ending June 2011, with the exception of Detroit, where the number of single-family homes permitted increased 49 percent, to 2,650 homes, according to preliminary data. Elsewhere in the region, declines in single-family construction activity ranged from 8 percent, to 900 homes, in Milwaukee, to 25 percent, to 2,500 homes, in Cincinnati. Compared with totals for the previous year, homes permitted declined 13 percent each in Columbus and Indianapolis, to 2,550 homes and 3,525 homes, respectively; declined 17 percent to 3,875 homes in Chicago; declined 19 percent to 3,425 homes in Minneapolis; and declined 20 percent to 1,625 homes in Cleveland.

Multifamily construction activity, as measured by the number of units permitted, increased by 6 percent to 15,400 units for the Midwest region during the 12 months ending June 2011, according to preliminary data. Multifamily construction in Michigan increased 83 percent, to 1,400 units, but remains below the 1,725-unit average annual change from 2007 through 2009. Multifamily construction also increased in Wisconsin, by 20 percent to 3,100 units; in Ohio, by 15 percent to 2,750 units; and in Illinois, by 4 percent to 3,500. Multifamily units permitted declined in both Minnesota and Indiana, by 4 and 21 percent, to 2,200 and 2,450 units, respectively. Metropolitan areas in the Midwest region reported increased construction activity for the 12 months ending June 2011, except for Indianapolis, where multifamily units permitted declined by 41 percent to 1,375 units. According to preliminary data, reported gains were 4 percent, to 2,600 units, in Chicago; 7 percent, to 1,650 units, in Columbus; 14 percent, to 880 units, in Milwaukee; 59 percent, to 130, in Cleveland; 63 percent, to 660, in Detroit; and 91 percent, to 580, in Cincinnati.

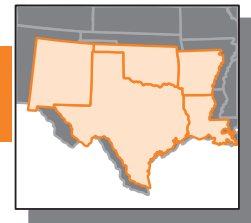
Rental market conditions were balanced in most major metropolitan areas of the Midwest region during the second quarter of 2011 and were stronger than during the first quarter of 2011 in all metropolitan areas. In Cleveland and Cincinnati, in the second quarter of 2011, apartment vacancy rates were 5.1 and 6.0 percent, down from 6.7 and 7.7 percent, respectively. During the same period, average rents rose by 1 and 2 percent, to \$740 and \$720, respectively, according to Reis, Inc. In Detroit, the apartment vacancy rate was 6.2 percent, down from 7.9

percent a year earlier, and the average rent rose 1 percent to \$830. The Columbus market was soft, with a vacancy rate of 8 percent, down from 9.7 percent the previous year, and the average rent rose almost 2 percent, to \$700, according to Reis, Inc. The Indianapolis market was also slightly soft, the apartment vacancy rate was 6.9 percent, down from 9.6 percent a year earlier, and the average rent rose 2 percent to \$690. In Chicago, Reis, Inc., estimates the second quarter 2011 apartment vacancy rate at 5.1 percent, down from 6.6 percent the previous year, and the average rent at \$1,076, up almost 2 percent. The downtown Chicago rental market is balanced, according to Appraisal Research Counselors, with a 6.1-percent first quarter 2011 vacancy rate, compared with a 6.2-percent rate during the first quarter of 2010. The rental market in Chicago absorbed approximately 480 units during the first quarter of 2011, and net effective rents increased 6 percent compared with rents during the first quarter of 2010.

The apartment market is tight in Milwaukee, with an apartment vacancy rate of 4.0 percent, down from the 5.0-percent rate as of the second quarter of 2010, according to Reis, Inc. During the same period, the average rent rose almost 2 percent to \$840. Rental market conditions are tight in Minneapolis, according to GVA Marquette Advisors, with an estimated vacancy rate of 2.4 percent during the second quarter of 2011, down from 5.0 percent a year earlier, and the average rent is \$920, up 2 percent from the same period. In downtown Minneapolis, the vacancy rate is 1.2 percent, down from 6.0 percent a year earlier, and the average rent increased 7 percent to \$1,225.

SOUTHWEST

HUD Region VI



For the second consecutive quarter, nonfarm payroll jobs in the Southwest region recorded year-over-year increases following 2 years of declines. During the 12 months ending June 2011, average nonfarm payrolls increased by 1.4 percent, or 217,900 jobs, to 15.9 million jobs. By comparison, for the 12 months ending June 2010, average nonfarm payrolls declined by 2.4 percent, or 384,300 jobs. During the 12 months ending June 2011, the education and health services and the professional and business services sectors recorded the largest growth, adding 59,200 and 55,500 jobs, respectively. The mining and logging subsector, which benefited from rising oil and gas prices, increased by 32,800 jobs, or 10.4 percent. The construction subsector recorded job growth for the first time in 2 years, with an increase of 6,400 jobs, or 0.8 percent, as housing markets in parts of the region began to recover.

The information, government, and financial activities sectors lost 6,500, 3,900, and 1,000 jobs, respectively. The decline in government jobs during the most recent 12 months represents the first year-over-year employment loss in the sector in more than 10 years, a result of reduced staffing levels as many state and local governments in the region responded to decreased tax revenues.

During the 12 months ending June 2011, a decline of 4,400 jobs, or 0.6 percent, in New Mexico was more than offset by nonfarm payroll gains in every other state in the region. Texas led job growth during that period with an increase of 194,100 jobs spread throughout all sectors except information, which declined by 7,200 jobs. In Arkansas, nonfarm payrolls increased by 12,200 jobs, or 1.1 percent, because losses in the goods-producing sectors and government were offset by gains in most private service-providing sectors. In Oklahoma, nonfarm payrolls increased by 10,900 jobs, or 0.7 percent, with a decline of 6,000 jobs in the government sector offset by gains in most other sectors, including the manufacturing sector, which added 4,500 jobs, the largest year-over-year increase in the sector since 2006. In Louisiana, payrolls increased by 5,100 jobs, or 0.3 percent, the first year-over-year increase in 2 years; however, total gains were partially offset by a decline of 10,000 jobs, or 2.7 percent, in the government sector. For the 12 months ending June 2011, the unemployment rate in the region increased slightly to 7.9 percent, up from the 7.8-percent rate recorded during the previous 12 months. The average unemployment rates ranged from 6.4 percent in Oklahoma to 8.2 percent in Texas. Louisiana, Arkansas, and New Mexico recorded unemployment rates of 7.8, 7.9, and 8.1 percent, respectively.

Sales housing market conditions in the Southwest region remained soft during the second quarter of 2011 despite small job gains in the region over the past 12 months. In Texas, during the 12 months ending June 2011, approximately 192,600 new and existing homes sold, according to the Real Estate Center at Texas A&M University. Home sales were down 14 percent compared with the number sold during the previous 12 months and 8 percent from the number sold during the 12 months ending June 2009. For the 12-month period ending June 2011, the inventory of unsold homes in Texas was at a 7.8-month supply, up from the 7-month supply for the previous 12-month period and well above the 5-month average supply recorded from 2006 through 2008. In most major metropolitan areas in Texas, new and existing home sales fell during the 12 months ending June 2011, with declines ranging from 12 percent in San Antonio to 18 percent in Dallas. Houston, Austin, and Fort Worth recorded decreases in home sales of 13, 14, and 17 percent, respectively. During the 12 months ending June 2011, the average home sales price in Texas increased 5 percent to \$197,200 compared with the average price during the previous 12 months. Among major metropolitan areas in Texas, home sales price increases ranged from 4 percent in Fort Worth and Houston to 7 percent

in Austin and San Antonio. In Dallas, the average sales price of \$218,200 surpassed the previous peak average sales price of \$216,700 recorded in 2007.

Home sales declined in a number of markets elsewhere in the region during the 12 months ending June 2011. In New Orleans, according to the New Orleans Metropolitan Association of REALTORS® and Gulf South Real Estate Information Network, Inc., new and existing single-family home sales fell 11 percent to 6,925 homes, and the average sales price increased 2 percent to \$211,300. Based on data from the Greater Baton Rouge Association of REALTORS®, home sales in Baton Rouge declined 18 percent during the 12 months ending June 2011 to 5,900 homes, and the average home sales price increased 2 percent to \$196,000. The Greater Albuquerque Association of REALTORS® reported that, during the 12 months ending June 2011, single-family home sales in Albuquerque were down 17 percent to 6,175 homes compared with sales during the previous 12 months and that the average sales price remained unchanged at \$212,300. Condominium sales in Albuquerque declined by 33 percent, to 590, during the same period. According to the Oklahoma Association of REALTORS®, during the second quarter of 2011, new and existing home sales in Oklahoma were down 7,250, or 16 percent, to 38,800 homes sold, and the average home sales price increased by approximately 5 percent, to \$151,400, compared with the average price during the second quarter of 2010. According to the Arkansas REALTORS® Association, during the 12 months ending May 2011, the number of new and existing home sales in the state declined by 2,125, or 15 percent, to 21,750 homes compared with the number of homes sold during the previous 12 months, and the average home sales price remained unchanged at \$144,100.

Builders in the Southwest region responded to declining home sales by reducing single-family construction activity, as measured by the number of building permits issued. During the 12 months ending June 2011, 80,300 single-family homes were permitted, a decline of 15,850 homes, or 17 percent, compared with the number permitted during the previous 12 months, based on preliminary data. For the 12 months ending June 2011, Texas recorded a 16-percent decrease in the number of single-family homes permitted, down 11,350 to 58,350 homes. Other states in the region also experienced declines in the number of single-family homes permitted, ranging from 6 percent in Louisiana to 21 percent in Arkansas. Oklahoma and New Mexico recorded declines of 17 and 18 percent, respectively.

Rental housing market conditions are soft in most of the large metropolitan areas in Texas, but they improved significantly during the second quarter of 2011 because building activity remains well below recent levels. The Austin rental market is currently balanced. According to ALN Systems, Inc., in the second quarter of 2011 the apartment vacancy rate in Austin was 5.8 percent, down from 9.6 percent during the second quarter of 2010, and



the average rent increased 4 percent to \$870. All other major Texas rental markets are currently soft. In San Antonio, the apartment vacancy rate declined from 10.5 to 8.3 percent during the second quarter of 2011, and the average rent increased 1 percent to \$740. Rental markets in Dallas and Fort Worth remained soft, with apartment vacancy rates of 8.3 and 9.4 percent, respectively, during the second quarter of 2011. The average rents in Dallas and Fort Worth increased 2 percent each to \$810 and \$710, respectively, compared with rents during the second quarter of 2010. The Houston rental market was the softest of all major rental markets in Texas, with an 11.7-percent apartment vacancy rate during the second quarter of 2011, down from 14.2 percent during the second quarter of 2010. Rents declined by 1 percent during that period, to \$790.

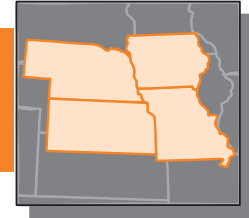
Rental housing market conditions improved in other large metropolitan areas throughout the Southwest region during the second quarter of 2011. Rental markets in Albuquerque and Little Rock are currently balanced. According to Reis, Inc., in the second quarter of 2011, the apartment vacancy rate in Albuquerque was 4.4 percent, down from 6.5 percent a year earlier, and the average rent increased 2 percent to \$720. In Little Rock, during the second quarter of 2011, the apartment vacancy rate was 6.5 percent, down from 8.3 percent a year earlier, and the average rent increased approximately 1 percent to \$660. Rental markets in the largest metropolitan areas in Oklahoma are improving but remained soft during the second quarter of 2011. In Oklahoma City, the apartment vacancy rate declined significantly from the second quarter of 2010 to the second quarter of 2011, from 10.2 to 7.5 percent, and the average rent increased 3 percent to \$560. In Tulsa, the vacancy rate declined from 9.8 percent in the second quarter of 2010 to 7.8 percent during the same period in 2011, and the average rent increased 1 percent to \$590. Rental market conditions improved in New Orleans during the second quarter of 2011; the apartment rental vacancy rate fell to 8.2 percent, down from the 10.1-percent rate recorded a year earlier, and the average rent increased 2 percent to \$870.

Builders responded to the improving rental markets and, despite continued soft conditions in many large metropolitan areas, multifamily construction activity, as measured by the number of units permitted, increased in the Southwest region during the 12 months ending June 2011 following large declines during the previous 2 years. Based on preliminary data, during the 12 months ending June 2011, the 30,200 units permitted reflect a 63-percent increase compared with the number of units permitted during the previous 12 months. Multifamily permitting levels for the 12 months ending June 2011 remain approximately 54 percent below the average of 65,800 units recorded during the peak years of 2006 through 2008. During the 12 months ending June 2011, the number of multifamily units permitted in Texas increased by 70 percent, or 9,775 units, from the previous year, to 23,550 units.

Increases in multifamily units permitted in other states in the region ranged from 70 units in New Mexico to 1,100 units in Louisiana. Oklahoma and Arkansas recorded increases of 290 and 500 units, respectively.

GREAT PLAINS

HUD Region VII



Nonfarm payrolls in the Great Plains region increased during the second quarter of 2011, the first quarterly increase in nonfarm payroll jobs since 2007. During the 12 months ending June 2011, average nonfarm payrolls increased by 0.1 percent, or 4,400 jobs, to 6.4 million jobs. In comparison, average nonfarm payrolls declined by 2.9 percent, or 189,600 jobs, in the 12 months ending June 2010. The professional and business services sector recorded the largest growth in the region, adding 15,700 jobs, a 2.3-percent increase. The education and health services sector increased by 7,800 jobs, or 0.8 percent, with every state in the region recording increased payrolls in the sector. Significant declines continued from the previous quarter in the mining, logging, and construction sector, which decreased by 8,900 jobs, or 3.1 percent, compared with a decrease of 40,700 jobs, or 12.4 percent, during the 12 months ending June 2010. Estimates place approximately 80 percent of job losses for the sector in the construction subsector because of soft housing and commercial property markets. The information sector, which recorded declines in every state in the region, lost 8,400 jobs, a 6-percent decrease, during the 12 months ending June 2011.

Nonfarm payroll gains in Nebraska and Iowa during the 12 months ending June 2011 offset job losses in Kansas and Missouri. In Nebraska, nonfarm payrolls increased by 8,200 jobs, or 0.9 percent, during the 12 months ending June 2011, led by an increase of more than 4,600 jobs, or 4.6 percent, in the professional and business services sector. In Iowa, nonfarm payrolls increased by 6,100 jobs, or 0.4 percent, led by gains of 4,800 jobs, or 4.0 percent, in the professional and business services sector and 2,700 jobs, or 1.4 percent, in the manufacturing sector. Nonfarm payrolls in Missouri decreased by 4,300 jobs, or 0.2 percent, because combined losses of 11,100 jobs in the construction subsector and government sector offset combined gains of more than 8,000 jobs in the professional and business services and education and health services sectors. In Kansas, nonfarm payrolls declined by 5,600 jobs, or 0.4 percent, with declines in the information and financial activities sectors accounting for nearly 50 percent of the total loss. For the 12 months ending June 2011, the unemployment rate in the region

decreased to an average of 7.4 percent, down from the 7.7-percent rate recorded during the previous 12 months. The average unemployment rates ranged from 4.3 percent in Nebraska to 9.3 percent in Missouri. Iowa and Kansas recorded rates of 6.1 and 6.8 percent, respectively.

Sales housing market conditions remained soft throughout all the states in the Great Plains region during the second quarter of 2011, despite small job gains in the region during the past 12 months. According to Hanley Wood, LLC, during the 12 months ending June 2011, sales of new and existing homes in the region declined 27 percent to 124,200 homes sold compared with the number sold during the previous 12-month period. Missouri recorded the largest absolute decline in sales during the past year, down 17,600 homes, or 22 percent, to 62,400 homes sold. During the same period, home sales in Nebraska declined to 11,750, a 47-percent decrease, representing the largest rate of decline of any state in the region. In Kansas and Iowa, new and existing home sales decreased by 30 and 24 percent, to 21,950 and 28,150, respectively. During the 12 months ending June 2011, despite the decline in sales, the average sales price in the region increased to \$151,600, up 5 percent compared with the sales price from a year earlier, mostly because of a 9-percent decrease in distressed sales. According to LPS Applied Analytics, during the second quarter of 2011, the percentage of total loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) fell in every state in the region except Kansas, where the rate remained unchanged at 4.8 percent. In Missouri, which had the greatest percentage point decrease, the rate fell from 5.5 to 5.0 percent. In Nebraska, which had the next highest decrease, the rate declined from 3.7 to 3.4 percent during the past year. During the second quarter of 2011, distressed loans in Iowa were 4.7 percent of total loans compared with 4.8 percent during the same period of the previous year.

Home sales continued to decrease in all major markets throughout the region during the second quarter of 2011, following state trends, although home prices in most major markets began to stabilize. According to the Kansas City Regional Association of REALTORS® and Heartland Multiple Listing Service, Inc., during the 12 months ending June 2011, the average price of new and existing single-family homes in Kansas City decreased 5 percent to \$155,000. Home sales in Kansas City fell 31 percent to 18,700 homes sold. In St. Louis, existing home sales decreased by 3,925, or 24 percent, to 12,400, based on city and county data from the St. Louis Association of REALTORS®, and the average home sales price was unchanged at \$178,000. For the 12 months ending June 2011, the Des Moines Area Association of REALTORS® reported that home sales declined 24 percent in Des Moines to 6,650 homes compared with the number sold during the previous 12-month period. The average home sales price in Des Moines was up slightly to \$161,800, indicating a 3-percent increase. According to the Wichita Area Association of REALTORS®, during

the 12 months ending June 2011, the number of homes sold in Wichita declined by 31 percent to 6,225, and the average home sales price declined 1 percent to \$132,600. According to the Omaha Area Board of REALTORS®, during the 12 months ending June 2011, home sales in Omaha decreased by 21 percent to 7,700 homes sold, and the average home price increased 4 percent to \$169,000.

Single-family construction activity, as measured by the number of single-family building permits issued, declined in every state in the region as builders responded to the decrease in home sales. During the 12 months ending June 2011, based on preliminary data, 15,650 single-family homes were permitted in the region, a decrease of 2,475 homes, or 14 percent, compared with the number permitted during the previous 12 months. Nebraska recorded a 23-percent decrease in the number of single-family homes permitted, down 820 to 2,800 homes permitted, which represents the largest numerical decline in the region. Kansas recorded a 13-percent decrease to 2,925 single-family homes permitted. In other states in the region, declines ranged from 7 percent in Iowa to 15 percent in Missouri.

Rental housing market conditions were mixed in the large metropolitan areas throughout the Great Plains region during the second quarter of 2011. According to Reis, Inc., the apartment market in Wichita was balanced during the second quarter of 2011, with a vacancy rate of 5.8 percent, down from 7.8 percent a year earlier, and the average rent remained relatively unchanged at \$520. In Omaha, during the second quarter of 2011, the apartment market was tight, with a vacancy rate of 4.6 percent, down from 5.9 percent a year earlier, and the average rent increased approximately 2 percent to \$710. Rental markets in the largest metropolitan areas in Missouri were slightly soft but improved. In Kansas City during the second quarter of 2011, the apartment vacancy rate declined from 9.4 to 6.9 percent, and the average rent increased 2 percent to \$720. In St. Louis, the vacancy rate declined from 8.8 percent in the second quarter of 2010 to 6.9 percent for the same period in 2011, and the average rent increased by about 2 percent to \$740. The rental market in Des Moines tightened during the second quarter of 2011, with a 4-percent apartment vacancy rate, down from 6.1 percent a year earlier, and the average rent increased by about 2 percent to \$720.

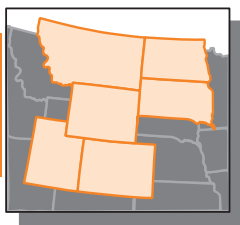
Multifamily construction, as measured by the number of multifamily units permitted, declined by 12 percent, to 6,150 units, in the Great Plains region during the past year compared with a 15-percent decrease for the 12 months ending June 2010, according to preliminary data. In comparison, multifamily construction activity averaged 15,850 units permitted annually from 2005 through 2008. During the past 2 years, continued weak economic conditions and limited credit availability have resulted in reduced construction levels in Kansas and Iowa. In Kansas, during the 12 months ending June 2011, the number of multifamily units permitted declined by



47 percent, or 850 units, to 950 units compared with the previous year. During the same period, units permitted in Iowa declined 29 percent to 1,425 units. Improving rental market conditions in Missouri led to the permitting of 2,725 units, an increase of 100 units, or 4 percent. In Nebraska, permits were issued for 1,075 units, up from the 550 units permitted for the 12 months ending June 2010.

ROCKY MOUNTAIN

HUD Region VIII



Nonfarm payrolls in the Rocky Mountain region increased in the past 12 months but remain below the peak of 5.1 million jobs recorded in late 2008. In the 12 months ending June 2011, nonfarm payrolls increased by about 38,600 jobs, or 0.8 percent, to 4.9 million jobs compared with payrolls in the previous 12 months. Among the goods-producing sectors, the mining and logging subsector added approximately 11,900 jobs, a 15-percent increase, the result of strong energy demand, and the manufacturing sector added 3,100 jobs, a 1-percent increase. Among the service-providing sectors, payrolls in the leisure and hospitality, professional and business services, and education and health services sectors increased by 11,400, 12,900, and 16,800 jobs, or 2.1, 2.2, and 2.7 percent, respectively. Losses in other sectors partially offset these gains. Construction subsector payrolls fell by 13,000 jobs, or 4.8 percent, partly because of slower homebuilding activity. The information and financial activities sectors lost 3,200 and 6,900 jobs, declines of 2.5 and 2.3 percent, respectively, because of layoffs in the telecommunications and banking industries, particularly in the Denver area. Government sector payrolls, overall, were essentially flat. Although payrolls in the federal and local government subsectors fell by 2,900 and 1,600 jobs, or 2.1 and 0.3 percent, respectively, payrolls in the state government subsector rose by 3,500 jobs, or 1.4 percent.

For the first time in the past 10 quarters, all states in the region reported nonfarm payroll increases for the 12 months ending June 2011. The strongest job growth was in North Dakota, where nonfarm payrolls rose by 13,600 jobs, or 3.7 percent, the fastest rate of job growth among all states in the nation. The slowest job growth in the region occurred in Colorado and Montana, where payrolls expanded by 5,400 and 1,500 jobs, or 0.2 and 0.4 percent, respectively. In South Dakota, Wyoming, and Utah, payrolls increased by 2,400, 2,600, and 13,100 jobs, or 0.6, 0.9, and 1.1 percent, respectively. The unemployment rate in the region averaged 7.6 percent for the 12 months

ending June 2011, edging down from the 7.7-percent rate of a year earlier. Unemployment rates ranged from 3.7 percent in North Dakota to 8.9 percent in Colorado, all below the 9.3-percent national average.

Home sales markets in the Rocky Mountain region remain somewhat soft in most areas, but market indicators are mixed and there are a few signs of improvement. According to the NATIONAL ASSOCIATION of REALTORS®, home sales in the region during the second quarter of 2011 were down 14 percent from sales a year earlier, to an annual average rate of 176,400 homes sold. Although sales were up 9 percent in Wyoming, home sales declines in the other states in the region ranged from 11 percent in Colorado to 30 percent in North Dakota. Home prices for the region during the first quarter of 2011 (the most recent data available) declined. Based on the Federal Housing Finance Agency price index, home prices in the region during the first quarter of 2011 were down 3.3 percent from prices a year earlier. Although prices in North Dakota and South Dakota were up 3 and 1 percent, respectively, prices were down in Utah, Colorado, Montana, and Wyoming by 5, 3, 2, and 1 percent, respectively.

In contrast to the statewide data, reports for metropolitan areas of the Rocky Mountain region indicate fewer home sales, but rising home prices over the past 12 months. Based on data from Hanley Wood, LLC, existing single-family home sales fell in nearly all metropolitan areas of the region, in part because of the expiration of the home-buyer tax credit in April 2010. In metropolitan areas of Colorado, during the 12 months ending May 2011, sales fell 20 percent to about 25,100 homes in Denver-Aurora, 17 percent to about 7,800 homes in Colorado Springs, and 21 percent to about 3,800 homes in Fort Collins-Loveland. In the Salt Lake City, Ogden-Clearfield, and Provo-Orem metropolitan areas of Utah, home sales were down by 21, 26, and 22 percent, to 11,000, 5,800, and 4,500 homes, respectively. Sales fell 32 percent each in Billings, Montana, and Fargo, North Dakota, to 1,400 and 2,000 homes, respectively. Existing single-family home prices increased in most metropolitan areas. In Denver-Aurora, Colorado Springs, and Fort Collins-Loveland, in the 12 months ending May 2011, average existing single-family home prices increased by 5, 3, and 7 percent, to \$279,800, \$216,800, and \$259,200, respectively. In the Salt Lake City area, average prices rose 1 percent, to \$256,900. In Billings and Fargo, average existing single-family home prices were up by 6 and 7 percent, to \$205,900 and \$170,400, respectively. Ogden-Clearfield and Provo-Orem prices declined, however, by 1 and 5 percent, to \$199,700 and \$226,900, respectively.

As with single-family homes, sales of attached homes (which includes condominiums and townhomes) were down in most metropolitan areas of the region, but prices were up. In the Denver-Aurora, Salt Lake City, Provo-Orem, and Fort Collins-Loveland areas, sales of existing attached homes fell 24, 17, 27, and 17 percent to 7,600, 2,600, 800, and 550 units, respectively, during the 12

months ending May 2011. Average prices rose in the Denver-Aurora, Provo-Orem, and Fort Collins-Loveland areas by 1, 10, and 3 percent to \$163,200, \$157,600, and \$167,700, respectively. In the Salt Lake City area, however, average prices fell 2 percent to about \$197,000.

In a sign that housing market conditions may be stabilizing in the Rocky Mountain region, mortgage defaults declined in the past year. Based on data from LPS Applied Analytics, in June 2011, 4.4 percent of all home loans in the region were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down from 4.9 percent a year earlier. Distressed loan rates declined for all states in the region, and ranged from 1.7 percent in North Dakota to 5.6 percent in Utah. All states in the region had rates below the 7.8-percent national average.

With home sales markets remaining soft, single-family homebuilding activity in the region declined during the past 12 months. Based on preliminary data, single-family construction, as measured by the number of permits issued, was down 12 percent during the 12 months ending June 2011 to about 18,400 homes permitted compared with permits during the previous 12 months. For comparison, during the peak years of 2004 through 2006, an annual average of more than 72,000 single-family homes were permitted in the region. Single-family construction activity was down for all states in the region. In Colorado and Utah, about 7,600 and 5,600 single-family homes were permitted in the 12 months ending June 2011, representing declines of 5 and 17 percent, respectively. In Wyoming, North Dakota, South Dakota, and Montana, single-family permits were down by 3, 13, 23, and 22 percent, respectively. Multifamily construction, as measured by the number of permits issued, increased for the region as a whole, but remains weak in some areas. For the Rocky Mountain region, multifamily construction was up 10 percent, to about 8,600 units permitted. Utah, Colorado, Montana, and North Dakota authorized approximately 2,300, 2,800, 650, and 1,900 multifamily units, representing increases of 14, 30, 56, and 63 percent, respectively, compared with permits issued a year earlier. In South Dakota and Wyoming, however, about 550 and 300 units were permitted, for decreases of 42 and 71 percent, respectively.

Rental markets in the Rocky Mountain region tightened in the past year, and conditions now range from balanced to tight in most areas. Renter household growth has led to rising demand, but rental unit construction in many areas has not kept pace. Based on data from Apartment Insights, Inc., as of the second quarter of 2011, the Denver-Aurora, Fort Collins-Loveland, and Boulder markets were tight, with apartment vacancy rates of 5, 4.1, and 4 percent, compared with rates of 6.4, 4.5, and 6.3 percent, respectively, a year earlier. In those areas, renter household growth exceeded construction, and the low number of units in the development pipeline indicates that conditions may continue to tighten. The Colorado Springs rental market is balanced, with a 5.8-percent apartment

vacancy rate in the second quarter of 2011, and the construction pipeline suggests that supply is keeping pace with increasing demand. Despite having a balanced market, Colorado Springs had the fastest rate of rent growth in the Colorado Front Range, with average apartment rents increasing by 12 percent from a year earlier to about \$730 a month. In the Fort Collins-Loveland area, rents increased by 9 percent, to \$900 a month. Monthly rents increased by 5 percent in both the Denver-Aurora and Boulder areas, to \$880 and \$1,000 a month, respectively. Based on data from Reis, Inc., the apartment market in the Salt Lake City metropolitan area is balanced, with an average vacancy rate of 5.5 percent as of the second quarter of 2011, down from the 7.2-percent rate of a year earlier. Average rents increased slightly during the same period, from about \$760 to \$770 a month. The apartment market in the Ogden-Clearfield area is now somewhat tight, with a 4.7-percent vacancy rate, down from 5.8 percent a year earlier, but rents have remained stable at about \$690 a month. In both Salt Lake City and Ogden-Clearfield, the number of units in the pipeline suggests that construction is keeping pace with growing demand. The Provo-Orem area apartment market is tight, with a 4-percent vacancy rate, down from 5.4 percent a year earlier, but rents have remained stable at about \$765 a month. Although multifamily construction in Provo-Orem increased by more than 50 percent during the 12 months ending May 2011, to about 460 units permitted, supply does not appear to be keeping up with demand, given renter household growth of nearly 1,000 a year for the area. Based on data from Appraisal Services, Inc., as of the second quarter of 2011, the Fargo rental market was somewhat tight, with a 5-percent apartment vacancy rate, down from 6 percent a year earlier.

PACIFIC

HUD Region IX



After 2 straight years of significant job losses, economic conditions in the Pacific region are showing signs of improvement. The region added 15,600 nonfarm payroll jobs, a 0.4-percent increase, during the 12 months ending June 2011. The professional and business services and education and health services sectors led job growth in the region, with increases in both sectors of 2.5 percent, or 16,650 and 13,900 jobs, respectively. The construction subsector had the largest percentage decline in nonfarm payrolls, 4.6 percent, or a loss of 8,875 jobs because of the slowdown in residential and commercial construction.

Moderate gains in nonfarm payrolls occurred in both California and Hawaii, but jobs declined in Arizona and



Nevada during the 12 months ending June 2011. California added 79,100 jobs, a 0.6-percent increase, during the 12 months ending June 2011 after losing 670,600 jobs, a 4.1-percent decline, during the previous 12 months. Nonfarm payroll increases of 65,600 jobs, or 3 percent, in the professional and business services sector and of 40,300 jobs, or 2 percent, in the education and health services sector led the turnaround in employment, despite a decline in the construction subsector of 18,600 jobs, or 3.2 percent. San Francisco Bay Area and Southern California nonfarm payrolls increased by 4,075 jobs, or 0.1 percent, and 27,550 jobs, or 0.2 percent, respectively. During the 12 months ending July 2011, Hawaii added 4,325 jobs, a 0.7-percent increase, compared with the loss of 19,250 jobs during the previous 12 months. The retail trade subsector realized the largest nonfarm payroll gain, of 1,450 jobs, or 15.4 percent, during the 12 months ending June 2011 because of a 13-percent increase in tourist spending compared with spending during the previous 12 months. Nonfarm payrolls continued to decline in Arizona, which lost 10,250 jobs, a 0.4-percent decrease, during the 12 months ending June 2011 compared with the number of jobs a year earlier. In Nevada, nonfarm payrolls fell by 9,325 jobs, or 0.8 percent, to an average of 1,124,100 jobs. The largest declines in both states came in the construction subsector, which lost 6,000 jobs, a 5.2-percent decline, in Arizona and 10,600 jobs, a 15.8-percent decline, in Nevada. During the 12 months ending June 2011, the average unemployment rate in the region increased to 12 percent from 11.7 percent during the previous year. The average unemployment rate ranged from 6.5 percent in Hawaii to 14.6 percent in Nevada.

The sales housing market was soft in all four states of the Pacific region during the 12 months ending June 2011 because of high unemployment. According to Hanley Wood, LLC, new and existing home sales fell by 12 percent to 599,800 homes. In Arizona, 112,200 homes sold, a 14-percent decline compared with the number sold during the previous 12-month period, and the average home sales price declined by 7 percent to \$170,200. In Arizona, REO (Real Estate Owned) sales as a percentage of existing home sales increased slightly to 53 percent. In the Phoenix metropolitan area, home sales declined by 9 percent to 47,750 homes, and the average sales price declined by 7 percent to \$171,500.

During the 12 months ending June 2011, new and existing home sales fell by 12 percent in California, to 413,200 homes, and the average home price rose by 1 percent to \$361,700. REO sales as a percentage of existing home sales decreased to 41 percent during the 12 months ending June 2011 from 44 percent a year earlier. In the San Francisco Bay Area, 66,500 homes sold during the 12 months ending June 2011, an 11-percent decline compared with the number sold during the previous 12 months, and the average home sales price increased by 2 percent to \$557,100 during the same period. In Southern California,

home sales decreased by 12 percent to 155,300 homes, and the average home sales price was unchanged at \$555,400.

In Hawaii, during the 12 months ending June 2011, new and existing home sales fell by 10 percent to 15,100 homes sold compared with the number sold during the previous 12 months, and the average home sales price rose by 5 percent to \$513,300. REO sales as a percentage of all existing sales increased from 11 to 17 percent. In Nevada, new and existing home sales fell by 10 percent to 59,250 homes during the 12 months ending June 2011, and the average home sales price fell by 7 percent to \$161,600. During the same period, REO sales as a percentage of all existing home sales declined from 62 to 58 percent. In Las Vegas, home sales fell by 9 percent to 47,700 homes, and the average home sales price declined 14 percent to \$154,300.

According to LPS Applied Analytics, the number of homes in the region 90 or more days delinquent, in foreclosure, or in REO in June 2011 decreased by 156,400 homes, or 21 percent, to 589,100 homes compared with the number recorded in the previous 12-month period. This level represents 8.9 percent of all loans in the region in June 2011 compared with a rate of 11.1 percent in June 2010; the national rate was 7.8 percent in June 2011.

New home construction activity, as measured by the number of single-family building permits issued, declined in every state in the Pacific region during the 12 months ending June 2011. Based on preliminary data, 37,800 single-family homes were permitted, a 19-percent decrease compared with the number of homes permitted during the previous 12 months. During the 12-month period ending June 2011, the number of single-family homes permitted in Arizona declined by 3,700, or 29 percent, to 9,350; in California, by 3,300, or 13 percent, to 22,000; in Hawaii, by 150, or 8 percent, to 1,800; and in Nevada, by 1,350, or 23 percent, to 4,525.

Rental housing markets varied from tight to balanced in California and Hawaii in the second quarter of 2011. The tight rental housing market in the San Francisco Bay Area tightened further. According to Reis, Inc., from the second quarter of 2010 to the second quarter of 2011, the apartment rental vacancy rates in Oakland, San Jose, and San Francisco declined from 5.5 to 4.2 percent, 4.2 to 3.2 percent, and 5.0 to 4.2 percent, respectively. During the same period, rents increased by 5 percent to \$1,571 in San Jose, 4 percent to \$1,888 in San Francisco, and 2 percent to \$1,359 in Oakland. Rental housing market conditions improved in Sacramento, becoming balanced during the second quarter of 2011 as the rental vacancy rate decreased to 5.4 percent, down from 7.1 percent in the second quarter of 2010, and rents increased by 2 percent to \$931. Reis, Inc., also reported that apartment rental vacancy rates decreased throughout Southern California from the second quarter of 2010 to the second quarter of 2011. Conditions in Riverside and San Bernardino Counties remained balanced, with the apartment vacancy rate

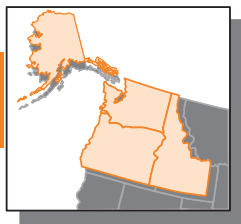
declining from 8 to 6 percent. During the same period, the apartment vacancy rate decreased from 5.5 to 4.4 percent in Los Angeles County, 6.4 to 4.7 percent in Orange County, 4.9 to 3.7 percent in San Diego County, and 5.3 to 4.2 percent in Ventura County. Reis, Inc., recorded the average rent in Southern California as \$1,380 in the second quarter of 2011, up 1 percent compared with the average rent in the second quarter of 2010. The apartment rental vacancy rate in Honolulu declined to 2.3 percent in the second quarter of 2011, down from 2.9 percent in the second quarter of 2010. The average rent in Honolulu increased 1 percent to \$1,286 during the same period.

The rental housing markets in Arizona and Nevada remain soft but are improving. According to Reis, Inc., in the second quarter of 2011, the apartment rental vacancy rate in Phoenix was 8.3 percent, down from 11.5 percent in the second quarter of 2010, and the average rent increased 1 percent to \$758. Reis, Inc., reported an apartment rental vacancy rate of 8.1 percent in Las Vegas, down from 11.1 percent in the second quarter of 2010, and the average rent decreased 2 percent to \$805. Most of the vacancy rate declines in both states were the result of foreclosures that changed owners into renters.

Multifamily construction activity, as measured by the number of multifamily units permitted, increased in three of the four states in the region. During the 12-month period ending June 2011, based on preliminary data, permits for 24,850 multifamily units were issued in the region, a 55-percent increase from the number of units permitted during the 12 months ending June 2010. Declining vacancy rates resulting from increased renter demand were the main reason for the permitting increases. During the 12-month period ending June 2011, in Arizona, the number of multifamily units permitted increased by 100, or 5 percent, to 1,550, in California, by 9,300 units, or 80 percent, to 21,000, and in Nevada, by 50 units, or 4 percent, to 1,550. These increases were partially offset by the decline in the number of units permitted in Hawaii, which recorded a decrease of 700 units, or 47 percent, to 750 units.

NORTHWEST

HUD Region X



During the 12 months ending June 2011, nonfarm payrolls in the Northwest region averaged 5.34 million jobs, an increase of 31,100 jobs, or 0.6 percent, compared with the 12 months ending June 2010, when 213,200 jobs were lost, which was a 3.9-percent decline from the previous year. Alaska nonfarm payrolls increased by 6,100

jobs, or 1.9 percent, to an average of 327,600 jobs. In Oregon, nonfarm payrolls gained 14,800 jobs, a 0.9-percent increase, bringing total nonfarm payroll jobs to 1.61 million. Idaho nonfarm payrolls averaged 605,500, up 1,800 jobs, or 0.3 percent. During the same period, Washington nonfarm payrolls increased by 8,300 jobs, or 0.3 percent, resulting in an average of 2.79 million jobs. Among the metropolitan areas in the Northwest region, during the 12 months ending June 2011, the rate of nonfarm payroll growth was strongest in the Kennewick-Pasco-Richland, Washington area, where jobs increased by 3.2 percent to 100,300, and in the Corvallis, Oregon area, where nonfarm payrolls increased by 2.3 percent to 37,900.

Nonfarm payroll gains in the region were greatest in the business and professional services sector, which increased by 20,000 jobs, or 3.3 percent, throughout the region, followed by the education and health services sector, which grew by 15,600 jobs, or 2.2 percent. Oregon accounted for one-third of the job increase in the education and health services sector, adding 5,500 jobs, a 2.4-percent increase. Washington led gains in the professional and business services sector, adding 15,000 jobs, a 4.7-percent increase. Significant losses in the construction subsector continued the downward trend that began in the region during the 12 months ending February 2008. During the 12 months ending June 2011, construction subsector payrolls in the region fell by 11,200 jobs, or 4.2 percent, because of declines in commercial and single-family residential construction. Manufacturing sector payrolls increased by 4,200 jobs, or 0.9 percent. During the same period, improving labor markets throughout the region led to a decline in the average regional unemployment rate, from 10 to 9.5 percent.

A weak labor market and limited mortgage credit availability continue to constrain sales housing demand in the Northwest region, marking the third year of soft sales housing market conditions. According to data from Hanley Wood, LLC, during the 12 months ending June 2011, new and existing single-family home sales totaled approximately 136,750, a 22-percent decrease compared with the number of homes sold during the 12 months ending June 2010. In Washington, during the 12 months ending June 2011, approximately 67,100 new and existing single-family homes sold, a 24-percent decrease compared with sales during the 12 months ending June 2010. The average home sales price in Washington increased by 1 percent, to \$287,800. In the Seattle metropolitan area, during the same period, 28,300 homes sold, a 20-percent decrease compared with the number sold during the previous 12-month period. The average home sales price in the Seattle metropolitan area was essentially unchanged at \$382,300. The number of homes sold in the Tacoma metropolitan area decreased by 14 percent to 9,175, and the average home sales price decreased 6 percent to \$224,500.

During the 12 months ending June 2011, according to data from Hanley Wood, LLC, the number of new and existing single-family homes sold in Oregon totaled



approximately 41,550, a 20-percent decrease compared with the number sold during the previous 12-month period. The average new and existing single-family home sales price decreased by 5 percent, to \$224,800, during the 12 months ending June 2011. In the Portland-Vancouver-Beaverton, Oregon-Washington metropolitan area, new and existing home sales totaled 20,750, down 18 percent compared with the number sold during the previous 12-month period, and the average home sales price decreased 5 percent to \$259,300. Based on data from Hanley Wood, LLC, in Idaho, during the 12 months ending June 2011, new and existing homes sales declined 21 percent to 22,000, and the average home sales price decreased 4 percent to \$168,200. In the Boise metropolitan area, 13,750 new and existing homes sold, down 16 percent from the 12 months ending June 2010, and the average home sales price declined by 4 percent to \$162,100. In Anchorage, sales market conditions were slightly soft during the same period, with the number of new and existing homes sold declining 16 percent, to 5,925; the average price, however, rose 4 percent to \$262,700.

In the Northwest region, foreclosures increased by 3 percent between June 2010 and June 2011, driven by increased foreclosure activity in Oregon and Washington. According to LPS Applied Analytics, the percentage of mortgage loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) increased from 6.2 to 6.4 percent in Washington and from 5.6 to 6.0 percent in Oregon. The rate declined from 6.6 to 5.9 percent in Idaho and from 2.8 to 2.6 percent in Alaska. All these rates remained below the 7.8-percent national average.

New single-family home construction activity, as measured by the number of permits issued, decreased in the 12 months ending June 2011, a trend that began 4 years earlier. Based on preliminary data, 18,850 homes were permitted in the region, a decline of 3,550 homes, or 16 percent, compared with the number permitted during the previous 12 months. In Oregon and Idaho, during the 12 months ending June 2011, home permit activity fell by 825 and 1,475 homes, or 15 and 36 percent, to total 4,400 and 2,575 homes permitted, respectively. In Washington, the number of permitted homes decreased by 10 percent, to 11,200 homes. In contrast, in Alaska, single-family construction activity increased 4 percent to 725 homes.

During the 12 months ending June 2011, in response to tightening rental markets, multifamily construction activity, as measured by the number of units permitted, increased by 60 percent in the Northwest region. Based on preliminary data, the number of units permitted in the region totaled 8,425, an increase of 3,125 units from the number of units permitted during the previous 12-month

period. In Oregon, 2,025 multifamily units were permitted, which represents an increase of 50 percent, or 650 units, compared with the number permitted during the 12 months ending June 2010. In Washington, the gain in multifamily building activity totaled 2,525 units, a 75-percent increase from the number of units permitted for the 12-month period ending June 2010. In Idaho, during the 12 months ending June 2011, the number of multifamily units permitted decreased by 7 percent to 450 units compared with the number permitted during the previous 12 months. During the 12 months ending June 2011, the number of multifamily units permitted in Alaska decreased 25 percent, or 50 units, to total 150 units permitted compared with the number permitted during the previous 12 months.

Rental housing market conditions in the region's major metropolitan areas were tight to balanced as of the second quarter of 2011. According to data from Reis, Inc., the apartment rental vacancy rate in the Seattle metropolitan area was 5 percent, down from 5.4 percent in the second quarter of the previous year. As of the second quarter of 2011, the average asking rent for apartments in the Seattle metropolitan area was \$1,045, up 2 percent from a year earlier. In the Tacoma metropolitan area, the apartment vacancy rate was 5.4 percent, down from 7.8 percent a year earlier, and the average asking rent was \$742, up 2 percent. In the Spokane metropolitan area, during the second quarter of 2011, the apartment vacancy rate was 4.8 percent compared with 6.6 percent a year earlier, and the average asking rent increased 2 percent to \$648. In Vancouver, the apartment vacancy rate fell from 4.9 to 3.1 percent, and the average asking rent increased 3 percent to \$799.

Rental market conditions tightened in Oregon during the second quarter of 2011. In the Portland metropolitan area, the average apartment vacancy rate fell from 3.9 to 3.5 percent between the second quarters of 2010 and 2011, according to Reis, Inc. The average asking rent in the Portland area increased 3 percent to \$849. During the same period, the asking rent in the Salem area averaged \$645, a 3-percent increase from a year earlier, and the apartment vacancy rate fell from 5.0 to 2.9 percent. In the Eugene area, the average asking rent was relatively unchanged at \$715, but the apartment vacancy rate decreased to 4.4 percent from 5.1 percent a year earlier. In Idaho, rental market conditions were balanced in Boise during the second quarter of 2011, when the vacancy rate decreased to 5.9 percent compared with 10 percent a year earlier, and the average asking rent increased by 2 percent to \$700. In Anchorage, the apartment vacancy rate during the second quarter of 2011 was 3.3 percent compared with 3.9 percent a year earlier, but the average asking rent increased 4 percent to \$1,039.

HUD's 10 regions are grouped as follows:

- **Region I, New England:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
- **Region II, New York/New Jersey:** New Jersey and New York.
- **Region III, Mid-Atlantic:** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.
- **Region IV, Southeast/Caribbean:** Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico/U.S. Virgin Islands, South Carolina, and Tennessee.
- **Region V, Midwest:** Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.
- **Region VI, Southwest:** Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.
- **Region VII, Great Plains:** Iowa, Kansas, Missouri, and Nebraska.
- **Region VIII, Rocky Mountain:** Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.
- **Region IX, Pacific:** Arizona, California, Hawaii, and Nevada.
- **Region X, Northwest:** Alaska, Idaho, Oregon, and Washington.

Housing Market Profiles

Austin-Round Rock-San Marcos, Texas

Located in central Texas, the Austin-Round Rock-San Marcos metropolitan area consists of Bastrop, Caldwell, Hays, Travis, and Williamson Counties. The area is home to the state capital, the University of Texas at Austin (UT), and Texas State University (TSU). As of July 1, 2011, the estimated population was 1.8 million, an increase of about 36,000, or 2.1 percent, during the past 12 months. Population growth has slowed slightly during the past 2 years as a result of recent declines in nonfarm payroll growth. The population has increased at an average annual rate of about 39,800, or 2.4 percent, since the beginning of 2008 compared with a rate of nearly 55,700, or 3.7 percent, annually from 2004 through 2007. The largest employers in the area include UT, H-E-B grocery stores, and Dell Inc., with 16,150, 14,900, and 14,000 employees, respectively.

During the past year, nonfarm payrolls began to recover from the decline that began in January 2009. During the 12 months ending May 2011, nonfarm payrolls in the metropolitan area increased by 13,000 jobs, or 1.7 percent, to average 772,000 jobs, compared with the decline of 12,000 jobs, or 1.6 percent, during the previous 12 months. During the 12 months ending May 2011, every sector added jobs except the mining, logging, and construction and financial activities sectors, which declined by 900 and 600 jobs, or 2.2 and 1.4 percent, respectively. The declines are due primarily to a slowdown in the housing industry. Relocation and expansion of new and existing businesses added more than 3,500 new jobs since January 2011. eBay Inc., HostGator.com LLC, and Samsung expanded into the Austin-Round Rock-San Marcos area, adding 1,000, 500, and 300 jobs, respectively. The most significant gains during the 12 months ending May 2011 occurred in the education and health services sector, professional and business services sector, and wholesale trade subsector, which added 4,100, 3,200, and 1,900 jobs, or 4.8, 3, and 5 percent, respectively. These job gains contributed to the decrease in the 12-month average unemployment rate from 7.2 percent in May 2010 to 7 percent in May 2011.

The Austin-Round Rock-San Marcos home sales market is currently soft. Based on data from Hanley Wood, LLC, existing single-family home sales in the area totaled approximately 15,800 during the 12 months ending May 2011, a decrease of 24 percent compared with the 20,900 homes sold during the same period a year earlier. The decrease in sales was a result of tighter lending practices and slower population growth. Despite the decrease in sales, the average sales price of existing homes increased



by 12 percent, to \$266,400, during the 12 months ending May 2011, from \$236,900 during the previous 12 months, primarily because of an increase in the proportion of sales of higher priced homes. Sales of new single-family homes totaled 5,800 for the 12 months ending May 2011, a decrease of 24 percent from the previous year. New home sales have been declining since 2007; an average of 15,600 homes sold each year from 2005 through 2007 compared with an average of 8,100 homes sold annually from 2008 through 2010. Hanley Wood, LLC data indicate an average sales price of \$240,800 for new homes in the area during the 12 months ending May 2011, an increase of 5 percent. Despite the recent increase, new home prices remain well below the average of \$255,100 recorded from 2006 through 2008. According to LPS Applied Analytics, as of May 2011, 3.2 percent of total loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down slightly from 3.6 percent in May 2010. This rate is lower than the 4.5-percent state rate and much lower than the 7.8-percent national rate.

Builders have continued to curtail production as new and existing home sales have declined since 2008. Based on preliminary data, building permits were issued for 5,900 single-family homes in the Austin-Round Rock-San Marcos area during the 12-month period ending May 2011 compared with 7,500 single-family home permits during the previous 12 months, a 21-percent decline. From 2008 through 2010, an average of 6,825 single-family homes were permitted annually, down significantly from the average of 15,350 homes a year from 2004 through 2007.

New and existing condominium sales have decreased significantly since 2008. During the 12 months ending May 2011, approximately 2,175 existing condominiums were sold in the area, a 21-percent decrease compared with the 2,750 sold during the previous 12 months, while the average sales price increased by 15 percent to \$223,800. The number of new condominiums sold during the 12 months ending May 2011 decreased by 54 percent to 460; however, the average sales price increased 30 percent to \$294,000. Based on the 2009 American Community Survey, approximately 5 percent of multifamily units in the area were owner occupied. During the 12 months ending May 2011, multifamily permits were issued for 2,100 units, of which an estimated 25 percent were intended for owner occupancy, based on preliminary data. Since 2000, 15 percent of multifamily construction has been for owner-occupied units. The number of multifamily units permitted was down from an average of 6,400 units annually from 2006 through 2009.

The rental market is currently balanced, with an overall estimated vacancy rate of 6 percent, primarily because of job gains since 2010. Single-family homes comprise 25 percent of the metropolitan area rental market. Occupancy and rents increased in the fourth quarter of 2010 and

the first quarter of 2011, the first time growth occurred in these quarters in more than 5 years. Large student enrollments at UT and TSU have had a substantial impact on the local rental market. The schools have a combined enrollment of more than 71,000 but provide housing for fewer than 20,000. According to ALN Systems, Inc., the apartment vacancy rate as of May 2011 was 5.8 percent, down from 9.3 percent a year earlier. Vacancy rates in Hays County, south of the city of Austin, showed the largest improvement in the area, down to 6.4 percent in May 2011 compared with 11.7 percent in May 2010. The average effective rent in May 2011 was \$890, up 4 percent from the previous year. The absorption of more than 7,700 existing vacant units during the 12 months ending May 2011 was in part because of a decrease in new apartment completions. During the 12 months ending May 2011, 2,100 apartment units completed construction, down from approximately 3,800 completions during the previous 12 months. Since the beginning of 2010, nearly 90 percent of all newly completed multifamily units have been in the city of Austin.

Chattanooga, Tennessee-Georgia

The Chattanooga metropolitan area consists of Hamilton, Marion, and Sequatchie Counties in southeast Tennessee and Catoosa, Dade, and Walker Counties in northwest Georgia, with a population estimated at 534,600 as of July 1, 2011. The annual rate of growth since April 2010 is estimated at about 1 percent, relatively unchanged from the growth rate from 2006 through 2009. Net in-migration, driven by job growth in the area, accounts for nearly 63 percent of the growth since 2006. BlueCross BlueShield of Tennessee, Inc., is the largest employer in the area, with about 4,500 employees, followed by the Tennessee Valley Authority, with about 4,000 employees, and Erlanger Health System, with about 3,500 employees.

During the 12 months ending June 2011, the average number of nonfarm payroll jobs increased by 3,800, or 1.7 percent, to 230,700 jobs, compared with the average number of nonfarm payroll jobs during the 12 months ending June 2010. The largest increases in nonfarm payroll jobs occurred in the transportation and utilities sector, with a gain of 1,400 jobs, or 9.3 percent, and the leisure and hospitality sector, which grew by 800 jobs, or 3.7 percent. During the 12 months ending June 2011, average nonfarm payrolls in the mining, logging, and construction sector and the manufacturing sector increased by 200 jobs each, or 2.4 and 0.8 percent, respectively, compared with the average number of nonfarm payroll jobs during the previous 12 months. In 2008, Volkswagen Group of America, Inc., announced plans to build a nearly \$1 billion vehicle production facility in Chattanooga, adding about 2,000 jobs. Construction on the facility is nearly complete, and production is expected to

begin in mid-2011. A supplier park near the Volkswagen plant opened in June 2010 and is expected to increase nonfarm payrolls in the manufacturing sector by 1,100 jobs during the next year. In December 2010, Amazon.com Inc. announced plans to build two order-processing centers in Tennessee, adding about 1,400 jobs to Hamilton County, which is in the metropolitan area, and in neighboring Bradley County by late 2011. SIAG Aerisyn LLC announced it would expand wind turbine tower production at its Chattanooga facility, adding about 175 jobs by 2012. As a result of robust job growth in the area, the average unemployment rate during the 12 months ending May 2011 decreased to 8.5 percent compared with 9.4 percent during the previous 12 months.

The sales housing market in the Chattanooga metropolitan area is soft, because the local economy is still recovering from the recession. As of July 1, 2011, the estimated sales vacancy rate was 2.8 percent compared with the 2.9-percent rate recorded by the 2010 Census. According to LPS Applied Analytics, 6.7 percent of all loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in May 2011 compared with 7.6 percent of all loans in May 2010. According to the Greater Chattanooga Association of REALTORS®, reporting aggregated data for new and existing homes, townhomes, and condominiums, approximately 5,275 homes sold during the 12 months ending June 2011, about 17 percent fewer than sold during the previous 12 months. The Greater Chattanooga Association of REALTORS® estimates that distressed home sales, including foreclosures and short sales, declined to about 25 percent of total sales in the area during the past 12 months compared with about 33 percent of total sales during the previous 12 months. As a result, the average home sales price in the area increased 4 percent to \$158,100 during the 12 months ending June 2011 compared with prices during the previous 12 months.

Homebuilding activity, as measured by the number of building permits issued, decreased in the metropolitan area because of the soft sales market. Based on preliminary data, during the 12 months ending June 2011, about 775 permits were issued for single-family homes, 18 percent fewer than were issued during the previous 12-month period. Based on annual building permit data, from 2007 through 2009, an average of about 1,475 homes were permitted each year. New developments include Hamilton on Hunter, in the Ooltewah area, with three-bedroom, two-bathroom homes starting from \$196,750, and Stonewall Farms, in the Hixson area, with five-bedroom, two-and-a-half-bathroom homes starting at \$265,000.

Overall rental housing market conditions in the metropolitan area are soft, but are improving because of job growth. The overall rental vacancy rate as of July 1, 2011, is estimated to be 9.3 percent, a decrease from the 10-percent rate recorded by the 2010 Census. Apartments

comprise about two-thirds of the rental market in the metropolitan area. According to the most recent Real Data survey, the apartment vacancy rate during January 2011 was 6.5 percent compared with 7.7 percent during January 2010. The average apartment rent in the area was \$702 in January 2011, up nearly 7 percent from the average in January 2010. Average rents in the area for one-, two-, and three-bedroom apartment units are \$594, \$747, and \$900, respectively.

Based on preliminary data, about 75 multifamily units were permitted during the 12 months ending June 2011 compared with approximately 60 units permitted during the previous 12 months. Based on annual data, multifamily permitting peaked at nearly 575 units in 2007 and averaged about 180 units in 2008 and 2009. New apartment development includes the 282-unit City Green at NorthShore, currently under construction in northwest Chattanooga; rents for one-, two-, and three-bedroom apartment units start at \$745, \$975, and \$1,300, respectively; construction is expected to be complete in late 2011.

Cheyenne, Wyoming

The Cheyenne metropolitan area, consisting of Laramie County, is located on the Great Plains in the southeast corner of Wyoming. As of July 1, 2011, the population of the metropolitan area is estimated to be 93,300. Despite job losses in the past 2 years, net in-migration to the area has remained positive since 2005, averaging about 650 people a year over the past 3 years. Since 2008, population growth in the area has averaged nearly 1,200 people, or 1.3 percent, annually, compared with 1,000 people, or 1.1 percent, annually during the previous 3 years. Cheyenne is the state capital and the location of F.E. Warren Air Force Base (Warren AFB), so the government sector accounts for nearly one-third of all nonfarm payrolls in the area. Warren AFB, with 3,800 military and civilian personnel, has an annual economic impact on the Cheyenne area of about \$364 million, according to a base report. State government employment represents about another 4,000 jobs.

Cheyenne is located at the intersection of Interstates 25 and 80 and is served by a number of rail lines, which makes the area attractive as a distribution hub. Swan Ranch Rail Park, a 7,200-acre manufacturing and logistics center, which includes a multimodal freight transportation hub, is nearing completion and is expected to add about 800 jobs over the next 18 months. Other major business developments include the \$66 million NCAR-Wyoming Supercomputing Center, a joint project of the National Center for Atmospheric Research and the University of Wyoming (UW), and the High Plains Gasification-Advanced Technology Center, a collaboration between General Electric Company and UW. The nearby Niobrara Shale, which has been the site of recent



exploratory oil and gas drilling, is another area of potential development in Cheyenne. Although it is too early to tell if the shale deposits will be commercially viable, the exploration activity has helped boost energy-related employment in the area.

Despite these economic developments, nonfarm payrolls in the area have declined in the past year. For the 12 months ending April 2011, nonfarm payroll jobs in the Cheyenne metropolitan area averaged about 43,600, a decline of about 150 jobs, or 0.3 percent, from the previous 12 months. Nonfarm payrolls peaked in 2008 at about 45,200 jobs. The construction and retail trade subsectors, and the manufacturing sector experienced the largest job losses, of approximately 200, 150, and 50 jobs, or 5.7, 3.0, and 2.9 percent, respectively. Job growth in other sectors partially offset these losses. The professional and business services, education and health services, and transportation and utilities sectors added about 100, 75, and 50 jobs, increases of 2.9, 1.6, and 1.7 percent, respectively. During the 12 months ending April 2011, the unemployment rate for the Cheyenne metropolitan area averaged 7.2 percent, down slightly from the 7.3-percent rate recorded during the previous 12 months.

The home sales market in Cheyenne is currently soft, a result of the slow economy and tight lending standards. According to data from Hanley Wood, LLC, approximately 1,300 existing single-family homes sold in the Cheyenne metropolitan area during the 12 months ending April 2011 compared with 1,450 homes sold in the previous 12 months, a nearly 10-percent decrease. Single-family home sales have declined more than 30 percent from their peak in 2006, when nearly 1,900 existing homes sold. Existing single-family home sales averaged about 1,375 annually during the past 3 years. Sales of existing attached homes (such as condominiums and townhomes) were down nearly 6 percent during the 12 months ending April 2011, to about 175 units sold. During the same period, prices for existing single-family homes averaged about \$192,200, up more than 2 percent from \$188,200 a year earlier. Prices for existing attached homes increased by nearly 7 percent, from \$143,800 to \$153,600. Because of weak sales demand, new single-family home construction, as measured by the number of building permits issued, has declined. Based on preliminary data, 185 single-family homes were permitted in the 12 months ending April 2011, down 22 percent from a year earlier. By comparison, single-family construction averaged nearly 600 homes a year from 2003 through 2007.

The rental market in Cheyenne is currently tight, a result of continued growth in renter households and a lack of rental unit construction. Military personnel contribute to strong rental demand, accounting for nearly 20 percent of all renter households in the area. Growth in the energy industry has also boosted demand for rental units. According to the Wyoming Center for Business & Economic Analysis, Inc. (WCBEA), as of the fourth quarter of 2010,

the vacancy rate at major apartment complexes in the area was 4 percent, down from a 5.3-percent rate a year earlier. Sundance Apartments completed construction in late 2010, and its 216 units leased up almost immediately. Monthly rents range from about \$700 for one-bedroom units to \$825 for two-bedroom units and \$930 for three-bedroom units. Other than those units, multifamily construction in the area, as measured by permits issued, has been at a standstill for the past 21 months. According to the WCBEA, average monthly rents in Cheyenne for the fourth quarter of 2010 ranged from about \$600 for mobile homes to \$640 for two-bedroom apartments and \$980 for single-family homes, representing increases of nearly 4, nearly 8, and 9 percent, respectively, from a year earlier.

Cleveland-Elyria-Mentor, Ohio

The Cleveland-Elyria-Mentor metropolitan area is located in northeastern Ohio, along the Lake Erie coast, and comprises five counties—Cuyahoga, Geauga, Lake, Lorain, and Medina. As of July 1, 2011, the population was estimated at 2.1 million, representing a decrease of 4,200, or less than 1 percent, annually from April 1, 2010, with net out-migration averaging 8,900 people annually. Between July 2005 and April 2010, the population declined by an average of 9,100 annually. Since 2005, net out-migration averaged 12,300 people annually.

Nonfarm payrolls in the metropolitan area totaled 994,600 jobs during the 12 months ending May 2011, up 5,000, or 0.5 percent, compared with the number of jobs during the same period ending May 2010. In contrast, the number of jobs declined by an average 1.6 percent annually from June 2005 to May 2010. Education and health services, the area's largest sector, led job growth during the 12 months ending May 2011, increasing by 4,175 jobs, or 2.2 percent, to 190,100. The two largest employers in the metropolitan area, Cleveland Clinic Health System and University Hospitals, contributed to the growth when they increased payrolls during the past year from 37,800 to 39,400 and 21,800 to 24,000, respectively, according to the Ohio Department of Development. The professional and business services sector, the second largest nonfarm job sector, with 131,800 jobs, increased by 3,525 jobs, or 2.7 percent. Widespread gains in the manufacturing sector resulted in an increase of 2,075 jobs, or 1.8 percent, reversing a decade-long trend of job declines in the sector that averaged 4.3 percent annually from 2000 through 2010.

A decline of 2,375 jobs, or 3.7 percent, in the financial activities sector partially offset gains in nonfarm payrolls in the metropolitan area during the 12 months ending May 2011. The mining, logging, and construction sector lost 1,875 jobs, or 5.8 percent, mostly in the construction subsector, which has declined each year since 2004 by an average of 5.6 percent annually. During the 12-month period ending May 2011, the average

unemployment rate in the metropolitan area was 8.7 percent, down from a 9.3-percent rate a year earlier.

Home sales market conditions in the metropolitan area remain soft compared with the market a year earlier, despite recent job growth. Net out-migration and job declines contributed to soft conditions throughout much of the 2000s. According to Hanley Wood, LLC, new and existing single-family home sales totaled 15,100 during the 12 months ending May 2011, down by more than 5,300, or 26 percent, compared with sales a year earlier. Home sales increased by 0.7 percent during the 12-month period ending May 2010, largely because of the first-time homebuyer tax credit. During the 3-year period between June 2006 and May 2009, single-family home sales declined by an average of 14 percent annually. The average sales price for new and existing single-family homes increased by 4 percent during the 12 months ending May 2011, to \$161,300, compared with a 0.7-percent increase a year earlier.

Condominium sales totaled 1,450 during the 12 months ending May 2011, down 22 percent compared with sales during the same period a year earlier. Condominium sales increased more than 1 percent during the 12-month period ending May 2010. In contrast, from 2006 through 2009, condominium sales declined by an average of 14 percent annually. During the 12 months ending May 2011, the average condominium price increased by 5 percent, to \$127,500, compared with an average annual 9-percent decline during the previous two 12-month periods. According to LPS Applied Analytics, 9.8 percent of mortgages in the area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) as of May 2011. The percentage has improved from the 10.7-percent rate recorded in May 2010 but is still relatively high compared with the 8.2-percent and 7.8-percent rates recorded in May 2011 for the state of Ohio and the nation, respectively.

Soft sales market conditions prompted home builders to reduce single-family home construction in the metropolitan area. As measured by the number of single-family homebuilding permits issued, construction was down 19 percent during the 12 months ending May 2011, to 1,650 permits, based on preliminary data. During the same period ending May 2010, single-family home permits increased by 6 percent, reflecting a temporary increase in demand stemming from the first-time homebuyer tax credit. Between 2004, when permits peaked at 6,700, and 2009, single-family home permits averaged a decline of 23 percent annually.

Multifamily construction, as measured by the number of multifamily units permitted, declined by 36 percent during the 12 months ending May 2011, to 110 units, based on preliminary data. This decrease compares with a 57-percent decrease during the 12-month period ending May 2010. The number of multifamily units permitted declined by an average of 26 percent annually from 2006 through 2009. Declining condominium sales almost

every year since 2006 are the primary cause of declining multifamily construction. Since 2006, almost one-half of new multifamily developments completed in the metropolitan area have consisted of condominiums, according to the McGraw-Hill Construction Pipeline database.

Rental market conditions in the metropolitan area are slightly soft but improved compared with conditions a year earlier. The overall rental vacancy rate is currently estimated at 10 percent, down from 12.5 percent in the 2010 Census. Single-family homes comprise nearly one-third of the rental market. The substantial decline in multifamily home construction and increased rental demand both contributed to improved rental market conditions. Apartment rental market conditions in the metropolitan area are currently balanced. According to Reis, Inc., the apartment rental vacancy rate during the first quarter of 2011 was 5.2 percent, down from 7 percent during the first quarter of 2010, partly because 1,600 previously vacant apartment units were absorbed. Reflecting improving rental market conditions and the decreasing vacancy rate, the average rent during the first quarter of 2011 was \$700, up nearly 2 percent, compared with a 1-percent decline a year earlier. Increased enrollment at Cleveland State University (CSU) also contributed to improved rental market conditions. Enrollment at CSU, which is located in the city of Cleveland, increased 5 percent in 2010, to 17,300 students, according to the university. An estimated 8 percent of CSU students live on campus; the remaining students reside off campus. CSU students comprise an estimated 5,700 renter households, or 2 percent of renter households in the metropolitan area. A 160-unit, 500-bed student dormitory is currently under construction at CSU. The expected completion date for the \$57 million project is August 2011.

Manchester-Nashua, New Hampshire

The Manchester-Nashua metropolitan area consists of Hillsborough County in southern New Hampshire, less than 50 miles from Boston. Based on data from the New Hampshire Business Review, the largest employers in the metropolitan area are BAE Systems, Inc., Fidelity Investments, and Elliot Health System, with an estimated 4,500, 4,400, and 3,550 employees, respectively. Manchester-Boston Regional Airport (MHT) makes the area the state's transportation center. According to the Jacobs Consultancy Economic Impact Study for 2008, MHT has a \$1.2 billion local economic impact annually, contributing more than 3,800 jobs directly and indirectly to the area economy. Additional growth is expected after the late 2011 completion of a new MHT access road that will provide 1,000 acres of newly zoned commercial and industrial land. As of July 1, 2011, the area population was estimated at 401,900, an increase of 940, or 0.2 percent,



annually since April 1, 2010. This increase compares with an average annual increase of 1,175, or 0.3 percent, from 2005 through 2010. Net natural increase (resident births minus resident deaths) accounts for all of the area's population growth since 2005.

Economic conditions in the Manchester-Nashua metropolitan area are improving after 3 years of declining nonfarm payrolls. During the 12 months ending May 2011, nonfarm payroll jobs increased by 500, or 0.2 percent, to 224,300 jobs, compared with a decline of 9,000 jobs, or 3.9 percent, during the previous 12 months. The largest gains occurred in the professional and business services, education and health services, and leisure and hospitality sectors, which added 700, 600, and 300 jobs, or 2.6, 1.6, and 1.5 percent, respectively. Elliot Health System opened The Elliot at River's Edge, a 236,000 square-foot outpatient healthcare facility in Manchester, adding 275 jobs. The retail trade subsector and the information sector, however, decreased by 600 and 300 jobs, or 1.9 and 5 percent, respectively, during the 12 months ending May 2011. Declines were concentrated among supermarkets and software publishers, which lost 400 and 200 jobs, respectively, in 2010. During the 12 months ending May 2011, the average unemployment rate declined to 5.7 percent, down from 6.8 percent during the previous 12 months.

Sales housing market conditions in the metropolitan area are slightly soft because of tight lending practices. Based on data from Hanley Wood, LLC, new and existing home sales decreased by 20 percent to 3,225 during the 12 months ending May 2011 compared with the number of sales during the previous 12 months, which included two rounds of homebuyer tax credits. Sales are down 13 percent from an average of 3,700 homes sold annually from 2007 through 2009. The average home sales price decreased to \$241,000, or 1 percent, during the 12 months ending May 2011, compared with \$243,600 during the previous 12 months; the price is 22 percent below the 2006 peak of \$308,000. Condominium sales declined 22 percent to 1,000 units during the 12 months ending May 2011 compared with sales during the previous 12 months. The average condominium sales price decreased 5 percent to \$157,700 during the 12 months ending May 2011 compared with \$165,300 in the previous 12 months. According to LPS Applied Analytics, as of May 2011, 4.8 percent of total home loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down from 5.4 percent a year earlier. The current rate compares with 6.4 percent for New England and 7.8 percent nationwide.

Single-family home construction, as measured by the number of permits issued, has been low since 2008. Based on preliminary data, during the 12 months ending May 2011, single-family home permit numbers remained relatively unchanged at 320 homes compared with 340 homes permitted during the previous 12 months. In comparison, from 2006 through 2009,

an average of 630 homes were permitted annually. The Preserve at West Bedford, a 61-unit community, is scheduled to open lots in August 2011, with home prices expected to start at about \$400,000. Typical new single-family home prices in the area range from \$275,000 to \$350,000.

Overall, rental market conditions in the metropolitan area are balanced, but the market for newly constructed apartments is tight. According to Reis, Inc., during the first quarter of 2011, the average apartment vacancy rate decreased to 3.5 percent, down from 4.5 percent in the first quarter of 2010. The average monthly rent increased by 1 percent, to \$1,075, compared with rents during the previous year, averaging \$910, \$1,150, and \$1,375 for one-, two-, and three-bedroom units, respectively. Based on preliminary data, during the 12 months ending May 2011, multifamily unit permits increased to 460, compared with 290 units permitted in the previous 12 months. This figure is greater than the average annual rate of 410 units permitted from 2006 through 2009. Legacy Park Manchester, a \$21.4 million ENERGY STAR Community, which includes 195 apartment units, is currently under construction, with buildings expected to open from the fall of 2011 into 2012. Rents for one- and two-bedroom units are expected to start at \$930 and \$1,095, respectively.

Mobile, Alabama

The Mobile metropolitan area is located on the Gulf Coast of Alabama and consists of Mobile County. Nearly one-half of the metropolitan area's residents live in Mobile, the central city and namesake of the metropolitan area. Mobile, which has been a center of transportation and manufacturing since the 18th century, is home to the ninth largest port in the United States. As of July 1, 2011, the population of the metropolitan area was estimated at 414,800, an increase of 1,450, or 0.3 percent, annually, since April 2010. Population growth peaked in 2008, when the population of the metropolitan area increased by 4,000, or 1.0 percent, compared with the population in 2007. The subsequent decrease in growth is because of slow job growth and high unemployment. The largest employers in the area are Infirmity Health System, Inc., and the University of South Alabama (USA) and USA Health System, with 5,300 and 5,000 employees, respectively.

Nonfarm payrolls in the metropolitan area have declined by 4.9 percent since peaking in 2008 at 184,300 jobs. The Mobile economy has shown signs of improvement, however, adding 2,300 jobs during the 12 months ending May 2011 to bring nonfarm payrolls to 175,500, a 1.3-percent increase. The professional and business services sector grew more than any other sector, adding 2,925 jobs, a 14-percent increase. After 2 years of declining employment, the manufacturing sector began to grow, adding 975

jobs during the 12 months ending May 2011, a 6.7-percent increase. This sector will likely continue to grow, because several large manufacturing firms in the metropolitan area expect to expand in the upcoming year. Austal USA, a shipbuilder, plans to add 2,000 workers in late 2011 and 2012, and ThyssenKrupp AG, a German industrial conglomerate, plans to add 800 workers at its steel mill in northern Mobile County. The largest decrease in nonfarm payrolls occurred in the government sector, because of budgetary constraints. The sector lost 600 jobs during the 12 months ending May 2011, a 2.2-percent decline, and a total of 1,150 jobs, a 4.2-percent decline, since the beginning of the recession in 2008. The unemployment rate in the metropolitan area averaged 10.1 percent during the 12 months ending May 2011, down from 10.8 percent during the previous 12 months.

The Mobile home sales market is soft, because of the weak economy and high levels of foreclosed homes. According to Hanley Wood, LLC, 4,375 new and existing homes were sold during the 12 months ending May 2011, a 16-percent decrease from the 5,200 homes sold in the preceding 12 months. During the same period, the average sales price decreased from \$161,000 to \$149,000, a nearly 8-percent decline. Home prices peaked in 2007, when the average price was \$177,600. Foreclosed properties comprise a significant portion of home sales; according to Hanley Wood, LLC, in the 12 months ending May 2011, homes that are in REO (Real Estate Owned) represented 37 percent of all existing home sales, up from 24 percent in the previous 12 months. According to LPS Applied Analytics, in May 2011, 8.7 percent of all loans were 90 or more days delinquent, in foreclosure, or in REO, down from 8.9 percent in May 2010.

New single-family home construction continues at a reduced pace, with 660 homes permitted during the 12 months ending May 2011, down from 1,125 permitted during the previous 12 months, based on preliminary data. An average of 1,825 homes was permitted annually during the building boom, from 2000 through 2007. Most new home construction is in subdivisions west and north of Mobile. Magnolia Springs, a subdivision located in west Mobile has 165 homes completed and another 160 currently under construction, with prices ranging from \$120,000 to \$250,000. A small market for loft condominiums converted from nonresidential use exists in downtown Mobile, where approximately 100 condominium homes have opened in the past 10 years.

The rental market in Mobile is soft but improving, with an estimated 10.5-percent vacancy rate, down from 11.4 percent in April 2010. Vacancy is lower in apartment complexes than in single-family homes, which make up approximately 50 percent of the rental market. As of the first quarter of 2011, AXIOMETRICS INC. reports a 6.25-percent vacancy rate in surveyed apartment complexes, down from 8.6 percent in the first quarter of 2010. According to Rock Apartment Advisors, Inc., average effective rents are \$550 for a one-bedroom unit, \$650

for a two-bedroom unit, and \$800 for a three-bedroom unit, with higher rents in the western and northern suburban areas and lower rents in central Mobile. Apartment construction has proceeded at a moderate pace in the past several years, with 310 units permitted in the 12 months ending May 2011 and 440 units permitted in the previous 12 months, based on preliminary data. Most recent apartment construction is centered in west Mobile, including Forest Hill Apartments, a 128-unit complex, and University Grande Apartments, a 156-unit complex, both currently under construction, although some new complexes are located in town and north of the city.

Morgantown, West Virginia

The Morgantown metropolitan area, consisting of Monongalia and Preston Counties, is located in north-central West Virginia. As of July 1, 2011, the population of the metropolitan area was estimated at 131,800. The population increased at an annualized rate of 1,675, or 1.3 percent, since April 1, 2010 compared with an average of 2,150, or 1.8 percent, from July 1, 2005, to April 1, 2010. The metropolitan area is home to West Virginia University (WVU), which has 29,300 students and an annual economic impact of \$4.9 billion on the state of West Virginia, as estimated by the WVU Bureau of Business and Economic Research. WVU, WVU Healthcare, and Mylan Pharmaceuticals Inc. are the metropolitan area's largest employers with 6,700, 4,650, and 2,300 employees, respectively.

After a brief economic slowdown in 2009, the metropolitan area economy has resumed growing at an accelerated pace. During the 12 months ending May 2011, nonfarm payrolls expanded by 1,500 jobs, a 2.3-percent increase, to total 65,400 jobs, compared with an increase of 1,000 jobs, or 1.5 percent, during the previous 12 months. The mining, logging, and construction sector grew by 500 jobs, or 13.4 percent, during the 12 months ending May 2011. Approximately 80 percent of this growth was in the construction subsector, as the \$2 billion coal-fired power plant in Madsville neared completion. The creation of an additional 470 local mining jobs is expected when operations begin in the summer of 2011. The service-providing sectors account for nearly 90 percent of the economy, and those sectors added 800 jobs, a 1.5-percent increase, during the 12 months ending May 2011. The professional and business services sector led growth among service-providing sectors by adding 300 jobs, a 5.4-percent increase. During the 12 months ending May 2011, the unemployment rate was 6.3 percent, higher than the 5.7-percent rate recorded during the previous 12 months, but still the lowest among all metropolitan areas in West Virginia.

Sales market conditions in the Morgantown metropolitan area are balanced. According to the West Virginia Association of REALTORS®, 900 homes sold during the



12 months ending May 2011, unchanged from the number of sales reported during the 12 months ending May 2010. During the same period, the average sales price increased 3 percent, from \$170,000 to \$175,000, and the average number of days a home remained on the market decreased 32 percent, from 147 to 100 days. In the metropolitan area, according to LPS Applied Analytics, the share of mortgage loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) was 2.2 percent in May 2011, down from 2.8 percent in May 2010.

New-home construction remained relatively unchanged during the past year. Based on preliminary data, 30 single-family homes were permitted during the 12 months ending May 2011 compared with 25 homes during the previous year. Because approximately 80 percent of building in the metropolitan area occurs in unincorporated areas, building permits do not include all construction activity. As of May 2011, the Village at West Run, located north of Morgantown, had sold 34 of 90 planned townhomes 6 months after sales began, at an average price of \$135,000. The Meadows, a 130-lot golf course community west of Morgantown, sold 30 homes during the past year, with townhomes and single-family homes averaging \$109,000 and \$135,000, respectively.

The rental market in the Morgantown metropolitan area is slightly soft, with a 7-percent rental vacancy rate, up slightly from 6.8 percent in 2010. Based on preliminary data, 45 multifamily units were permitted in the 12 months ending May 2011 compared with 60 during the previous year; all of these units were offered for rent. Because of limited coverage, only a small portion of the units constructed is recorded in the building permits. The 23,450 WVU students who live off campus represent 66 percent of renters in Monongalia County. With enrollment expecting to increase by approximately 525 students for the 2011–12 academic year, 80 percent of the approximately 800 rental units under construction are near WVU and target student renters. Beechview Place, a 233-unit community near the WVU Downtown Campus, is scheduled for completion in December 2011. Average asking rents for newer units in the metropolitan area are \$750 for a one-bedroom unit, \$1,000 for a two-bedroom unit, and \$1,500 for a three-bedroom unit. Rental properties in the city of Morgantown typically charge higher rents because of their proximity to WVU.

Oakland-Fremont-Hayward, California

The Oakland-Fremont-Hayward Metropolitan Division (hereafter referred to as the Oakland metropolitan area) includes Alameda and Contra Costa Counties, which are located east of the city of San Francisco, across the San Francisco Bay. As of July 1, 2011, the population was estimated to be 2.6 million, a nearly 1-percent increase

since July 1, 2010. Because of slower in-migration, the annual growth rate has decreased since the 2008-to-2009 period, when it was 1.5 percent.

The economy in the Oakland metropolitan area remains weak, but the job loss rate is slowing. During the 12 months ending May 2011, nonfarm payrolls decreased by 8,000 to average 945,800 jobs, a 0.8-percent loss compared with payrolls during the previous 12-month period. In contrast, nonfarm payroll jobs contracted by 6.1 percent from 2008 to 2009 and 2 percent from 2009 to 2010. Most nonfarm payroll sectors lost jobs in the 12-month period ending May 2011, led by the mining, logging, and construction, manufacturing, and government sectors, with respective declines of 3,900, 3,800, and 3,600 jobs, or 7.7, 4.6, and 2.1 percent. The soft housing market was mainly responsible for construction subsector losses. The March 2010 closure of New United Motor Manufacturing, Inc., which employed 5,000 workers, contributed to losses in the manufacturing sector. Reduced tax revenues during the soft economy have led to government sector contraction since 2007. Four sectors are showing signs of recovery; the professional and business services, education and health services, leisure and hospitality, and financial activities sectors increased by 2,400, 2,200, 1,900, and 200 jobs, or 1.6, 1.6, 2.3, and 0.4 percent, respectively. The average unemployment rate for the 12 months ending May 2011 was 11 percent, relatively unchanged from the 11.1 percent rate of the previous 12-month period.

The largest employment sectors in the Oakland metropolitan area are government, professional and business services, wholesale and retail trade, and education and health services, each comprising a nearly equal 16 percent share of total nonfarm payrolls. The largest employer in the metropolitan area—the University of California, Berkeley (UCB)—employed 23,500 faculty and staff and enrolled 35,850 students during the fall 2010 semester. According to UCB, the university generates an annual economic impact of \$1.3 billion in the metropolitan area and currently has \$480 million in capital projects under construction. The other largest employers in the area are AT&T Communications and the food retailer Safeway, Inc., with 14,000 and 7,400 employees, respectively.

The sales housing market in the metropolitan area is soft, but showing tentative signs of recovery. After the housing bubble burst in 2006, subsequent foreclosure activity destabilized the market further as REO (Real Estate Owned) homes and short sales exerted downward pressure on prices. The foreclosure rate has begun to diminish but remains high. According to LPS Applied Analytics, the percentage of loans 90 or more days delinquent, in foreclosure, or in REO in the metropolitan area decreased from 9.5 percent in June 2010 to 8 percent in June 2011. In June 2011, 8.8 percent of all loans in Contra Costa County were distressed, with distressed loans concentrated in the newest suburbs in the northeastern part of the county,

compared with 7.2 percent for Alameda County. According to data from Hanley Wood, LLC, existing home sales declined nearly 9 percent, to 17,500 homes sold, in the metropolitan area during the 12 months ending June 2011 compared with the number sold during the previous 12 months. The proportion of REO sales relative to total existing sales decreased from 42 to 39 percent during this period, reflecting slight improvement. Median sales prices for non-REO homes decreased to \$424,100 in Alameda County and \$345,800 in Contra Costa County, down approximately 4 percent in both counties, and for REO homes decreased to \$252,100 in Alameda County and \$197,000 in Contra Costa County, down 1 and 5 percent, respectively.

New homes sales activity in the metropolitan area declined nearly 33 percent to 2,000 homes sold during the 12 months ending June 2011, and prices are beginning to increase. Condominiums and townhomes constituted 30 percent of all new home sales in the metropolitan area during the most recent 12-month period, compared with 46 percent during 2007, at the peak of new condominium development. During the 12 months ending June 2011, the median sales price increased 4 percent, to \$681,000, for new single-family homes and 8 percent, to \$398,000, for new condominiums in Alameda County, compared with prices during the same period a year earlier. The median sales price in Contra Costa County increased 6 percent, to \$404,100, for new single-family homes and declined 9 percent, to \$389,200, for new condominiums during the same period.

In response to the weakening sales volume beginning in 2006, builders reduced new home construction activity, as measured by the number of single-family building permits issued. From 2008 through 2010, an average of 1,825 single-family homes was permitted annually in the metropolitan area. During the 12 months ending May 2011, 1,475 single-family homes were permitted, representing a 32-percent decline from the number of permits issued during the preceding 12-month period, based on preliminary data. Single-family permits were evenly divided between the two counties.

Multifamily construction, as measured by the number of units permitted, has also declined sharply since 2006, as builders responded to softening condominium sales. During the peak years from 2003 through 2006, 4,450 multifamily units on average were permitted annually in the metropolitan area. Multifamily permit levels have been volatile during the past 3 years as permits fell to a two-decade historical low of 680 units in 2009. Based on preliminary data, in the 12 months ending May 2011, nearly 1,500 multifamily permits were issued, up 62 percent compared with the number issued in the preceding 12-month period. Condominiums and townhomes constitute about 60 percent of all multifamily unit permits.

Rental conditions are tight in Alameda County but balanced in Contra Costa County. MPF Research reported

that only 260 new apartment units became available for leasing in the past 12 months. With fewer apartments entering the market, the apartment vacancy rate in the metropolitan area declined from 4 percent in the second quarter of 2010 to 3.4 percent in the second quarter of 2011. The average rent in the metropolitan area increased nearly 7 percent, to \$1,364, in the second quarter of 2011. In Alameda County, the apartment vacancy rate decreased from 5 percent in the second quarter of 2010 to 3 percent in the second quarter of 2011. During the same period, the average rent increased slightly more than 7 percent, to \$1,438. The apartment vacancy rate in Contra Costa County remained unchanged from 4.6 percent in the second quarter of 2010 to the second quarter of 2011. During the same period, the average rent increased slightly more than 3 percent, to \$1,228.

Riverside-San Bernardino-Ontario, California

The Riverside-San Bernardino-Ontario metropolitan area consists of Riverside and San Bernardino Counties, which are located directly east of Los Angeles and Orange Counties in Southern California. Riverside and San Bernardino Counties are the 11th and 12th most populous counties, respectively, in the nation. San Bernardino and Riverside Counties are also the nation's largest and 26th largest counties, respectively, in land area. As of July 1, 2011, the populations of Riverside and San Bernardino Counties were estimated at 2.2 and 2.1 million, respectively. These figures reflect an increase of 33,900, or 1.6 percent, in Riverside County and 10,100, or 0.5 percent, in San Bernardino County since July 1, 2008. The current population growth rates are down from the July 1, 2006 through July 1, 2008 period, when the populations of Riverside and San Bernardino Counties increased by average annual rates of 2.3 and 0.8 percent, respectively. Net in-migration currently accounts for about 51 percent of the growth in Riverside County compared with only about 3 percent in San Bernardino County.

Nonfarm payrolls in both Riverside and San Bernardino Counties continued to decline, a trend that began in July 2008. During the 12-month period ending June 2011, nonfarm payroll jobs in the metropolitan area decreased by 8,700, or 0.8 percent, to 1.11 million jobs compared with the number of jobs during the previous 12 months. In comparison, between July 2006 and June 2008, nonfarm payrolls averaged 1.26 million jobs a year. During the 12 months ending June 2011, the transportation and utilities and the professional and business services sectors grew by 1,650 jobs, or 3 percent, and 1,400 jobs, or 1 percent, respectively. Job gains in the transportation subsector were primarily a result of increased cargo shipments in adjoining Los Angeles County. The construction subsector decreased by 5,300 jobs, or 8 percent,



because of reduced demand for new homes and commercial construction, offsetting the gains in other sectors. Manufacturing sector employment declined as well, by 1,400 jobs, or 2 percent. The Marine Corps Air Ground Combat Center is the largest employer in the metropolitan area, with 16,300 military and civilian workers. Stater Bros. Markets Inc. is the second largest employer, with more than 13,000 workers. During the 12 months ending June 2011, the unemployment rate averaged 14.2 percent, unchanged from the previous 12 months.

The sales market for existing homes has been soft since 2006. According to Hanley Wood, LLC, during the 12 months ending June 2011, existing home sales in Riverside County decreased by 5,600, or 14 percent, to 35,750 homes compared with the number sold during the previous 12-month period. Likewise, existing home sales in San Bernardino County decreased by 5,000, or 16 percent, to 26,450 homes during the same period. The estimated average existing home price increased by 2 percent, to \$233,900, in Riverside County and by 3 percent, to \$190,200, in San Bernardino County during the past 12 months. According to Hanley Wood, LLC, Real Estate Owned (REO) sales fell as a percentage of total existing home sales during the 12 months ending June 2011, from 56 to 50 percent in Riverside County and from 63 to 54 percent in San Bernardino County compared with the number of REO sales during the same period a year earlier. Condominium sales represented less than 12 percent of existing home sales in both counties during the 12 months ending June 2011, remaining at about the same level since 2006.

The new home sales market has been soft since 2006. According to Hanley Wood, LLC, during the 12-month period ending June 2011, new home sales in Riverside County fell by 1,750, or 36 percent, to 3,100 sales compared with the number sold during the previous 12 months. In San Bernardino County, new home sales fell by 1,500, or 64 percent, to 850 homes during the same period. The estimated average new home price remained unchanged at \$312,600 in Riverside County but increased by \$5,350, or 2 percent, to \$313,300 in San Bernardino County compared with prices during the 12 months ending June 2010.

Condominium sales represented approximately 7 and 13 percent of total new home sales in Riverside and San Bernardino Counties, respectively, during the 12-month period ending June 2011, down from average percentages of 9 and 18, respectively, between June 2008 and June 2010. Condominiums are a popular option among retirees in the Palm Springs area of Riverside County. During the 12-month period ending June 2011, the estimated average new condominium sales prices in Riverside and San Bernardino Counties were \$224,400 and \$268,300, respectively. These prices represent a decline of \$20,400, or 8 percent, in Riverside County but

an increase of \$15,600, or 6 percent, in San Bernardino County compared with prices recorded during the 12 months ending June 2010.

The decline in new home sales in both counties resulted in a significant decrease in single-family construction, as measured by the number of building permits issued. Based on preliminary data, during the 12 months ending May 2011, approximately 3,200 and 1,050 single-family homes were permitted in Riverside and San Bernardino Counties, respectively. These figures represent declines of 11 and 28 percent, respectively, compared with the number permitted during the previous 12 months.

Large foreclosure numbers were another major reason for the reduced single-family construction activity in both counties. As of June 2011, Riverside and San Bernardino Counties had the 7th and 10th largest number of mortgages in the nation that were 90 or more days delinquent, in foreclosure, or in REO, according to LPS Applied Analytics. Loans 90 or more days delinquent, in foreclosure, or in REO represented 12.2 and 11.3 percent of the total loans in Riverside and San Bernardino Counties, respectively, during June 2011, compared with 16.4 and 15.4 percent, respectively, in June 2010. Nearly one-half of all mortgages in the metropolitan area during the first quarter of 2011 had negative equity, more than double the 23-percent national rate, according to CoreLogic.

The rental housing market in the metropolitan area has tightened, but remains balanced. Between the first quarter of 2010 and the first quarter of 2011, the rental vacancy rate decreased from 7.9 to 5.6 percent in Riverside County and from 6.4 to 5.6 percent in San Bernardino County, according to RealFacts. The declining vacancy rates resulted in increased rents. According to RealFacts, in the first quarter of 2011, average rents increased by 3 percent to \$1,074 in Riverside County and by 3 percent to \$1,090 in San Bernardino County compared with the rents recorded during the first quarter of 2010.

Multifamily construction activity, as measured by the number of multifamily units permitted, declined in both Riverside and San Bernardino Counties during the 12 months ending June 2011, based on preliminary data. Approximately 300 multifamily units were permitted in Riverside County during the past 12 months, down 250 units, or 45 percent, compared with the number permitted during the previous 12 months. During the same period, permits issued in San Bernardino County totaled 600 units, down 300 units, or 32 percent. More than 85 percent of the multifamily units permitted during the past 12 months in both counties were for rental units. At 274 units, The Vineyards at Old Town in Temecula, Riverside County, was the largest apartment complex completed in the metropolitan area during the 12-month period ending June 2011. Rents range from \$1,235 for a one-bedroom unit to \$2,500 for a two-bedroom townhome.

State College, Pennsylvania

The State College metropolitan area comprises Centre County, located in central Pennsylvania, approximately 150 miles northwest of Philadelphia. The metropolitan area is home to University Park, the main campus of Pennsylvania State University (PSU). University Park, with 45,000 students and 23,000 full- and part-time employees, has an estimated \$2.4 billion annual impact on the economy of the metropolitan area, according to a 2008 study commissioned by PSU. As of July 1, 2011, the population of the metropolitan area was estimated at 154,600, an annualized gain of 440, or 0.3 percent, since April 1, 2010, compared with a 1-percent average annual increase from 2005 through 2010. The area's largest employers are PSU, Mount Nittany Medical Center, and Wal-Mart Stores, Inc., with nearly 23,200, 1,425, and 775 employees, respectively.

Economic conditions in the State College metropolitan area were weak during the 12 months ending May 2011. Total nonfarm payrolls increased by 100 jobs, or 0.2 percent, to 74,300 jobs, compared with an increase of 200 jobs, or nearly 0.3 percent, during the 12 months ending May 2010. During the 12 months ending May 2011, the mining, logging, and construction sector added 400 jobs, an increase of 13.5 percent, with Marcellus Shale field natural gas drilling responsible for most of the gains. Marcellus Shale, located beneath much of Pennsylvania and surrounding states, is a major source of natural gas. The professional and business services sector expanded by 100 jobs, or 2.1 percent, and the manufacturing sector added 100 jobs, an increase of 2.8 percent. Partially offsetting these gains were losses in the government sector. The state government subsector, which includes PSU and represents nearly one-third of total nonfarm payrolls, lost 200 jobs, or 0.8 percent, and the local government subsector contracted by 100 jobs, or 2.5 percent. The average unemployment rate decreased to 5.7 percent during the 12 months ending May 2011 compared with 6.2 percent during the previous 12 months.

The home sales market in the State College metropolitan area remains soft because of weak economic conditions. According to Hanley Wood, LLC, during the 12 months ending May 2011, existing home sales decreased by nearly 14 percent, to 1,150, compared with 1,350 existing homes sold during the same period a year earlier. During May 2011, the median sales price of existing single-family homes rose 3 percent to \$187,750 compared with \$178,500 during May 2010. As of May 2011, according to LPS Applied Analytics, 2.5 percent of mortgage loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down slightly from 2.6 percent in May 2010. According to Hanley Wood, LLC, during the 12 months ending May 2011, foreclosed and REO homes represented nearly 12 percent of existing single-family home sales, up from 10 percent during the previous 12-month period.

According to Hanley Wood, LLC, during the 12 months ending May 2011, sales of new single-family homes decreased nearly 25 percent to 185 homes and the median sales price declined approximately 2 percent to \$261,200 compared with May 2010. In response to the soft sales housing market, single-family home construction in the metropolitan area declined. Based on preliminary data, during the 12 months ending May 2011, the number of single-family homes permitted decreased 18 percent to 160 homes compared with the number permitted during the previous 12-month period. In contrast, from 2005 through 2009, an average of 540 single-family homes was permitted each year in the metropolitan area.

According to preliminary data for the 12 months ending May 2011, approximately 85 multifamily units were permitted compared with 30 units permitted during the previous 12 months. From 2005 through 2009, an average of 75 multifamily units was permitted annually. During the current 12-month period, two senior independent living apartment expansions accounted for nearly all of the multifamily units permitted.

Rental market conditions in the State College metropolitan area are typically tight, with an estimated 2.5-percent vacancy rate, up slightly from the 2.3-percent rate reported in the 2010 Census. The nearly 30,000 PSU students living off campus account for approximately 60 percent of the total population in renter-occupied units and have a significant impact on the rents in the area. Estimated average rents are \$1,500 for a one-bedroom unit, \$2,300 for a two-bedroom unit, and \$2,600 for a three-bedroom unit. Jeramar Plaza, a 12-unit complex with rents of \$2,380 for a two-bedroom unit, and The Palmetton, a 65-unit complex with rents averaging \$1,360 for a one-bedroom unit and \$2,720 for a two-bedroom unit, recently completed construction in downtown State College and are targeted to PSU students.

Tampa-St. Petersburg-Clearwater, Florida

The Tampa-St. Petersburg-Clearwater metropolitan area, located on the Gulf Coast in central Florida, comprises Hernando, Hillsborough, Pasco, and Pinellas Counties. Tampa, St. Petersburg, and Clearwater are the principal cities in the metropolitan area; Tampa is the third largest city in Florida. The metropolitan area is home to the University of South Florida (USF), the third largest employer in the area, with 15,100 employees and 44,400 students enrolled at the Tampa and St. Petersburg campuses. The USF System, which includes two additional campuses outside the metropolitan area, has an enrollment of more than 47,550 students and an annual economic impact of \$3.7 billion on the region, according to the USF System. As of July 1, 2011, the population of the metropolitan area was estimated at 2,806,000,



the second most populous metropolitan area in Florida, with an annual 0.7-percent increase since April 1, 2010. Population growth has been slow since 2006 because of decreasing net in-migration resulting from the weak economy; the population has grown by an average of 0.8 percent annually, down from 2.2 percent annually during the previous 3 years.

The economy weakened during the past year, continuing a trend that began in 2006, but the job loss rate has slowed considerably. During the 12 months ending May 2011, nonfarm payrolls declined by 1,600 jobs, or 0.1 percent, from the previous 12-month period to total 1,118,000 compared with a decrease of 53,000 jobs, or 4.5 percent, during the 12 months ending May 2010. During the 3 months ending May 2011, nonfarm payrolls increased by 3,900 jobs, or 0.3 percent, compared with the average during the 3 months ending May 2010.

The professional and business services and education and health services sectors led job growth during the 12 months ending May 2011, adding 3,300 jobs each, increasing by 1.7 and 1.9 percent, respectively. Progressive Casualty Insurance Company contributed to this growth, adding 240 jobs in the Tampa area. The persistently soft housing market continued to affect the construction subsector and financial activities sector, which led job losses during the past 12 months. The construction subsector lost 4,000 jobs, a 7.3-percent decrease, and the financial activities sector declined by 2,400 jobs, or 2.7 percent, from the previous 12-month period. The average unemployment rate increased slightly to 11.8 percent during the 12 months ending May 2011, from 11.6 percent during the previous 12-month period.

Sales housing market conditions in the metropolitan area are currently soft. Conditions improved during the past year as home sales increased, but the growth in total sales slowed from the previous year. According to the Greater Tampa Association of REALTORS®, 21,050 existing homes sold during the 12 months ending May 2011, an increase of 280 homes, or 1 percent, compared with an increase of 4,425 homes, or 27 percent, during the 12 months ending May 2010, which resulted from the now-expired homebuyer tax credit. During the 12 months ending May 2011, the average sales price declined by 6 percent to approximately \$152,700, the result of an increase in distressed home sales. According to LPS Applied Analytics, 17 percent of loans in the metropolitan area were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) during May 2011, a rate unchanged compared with May 2010. According to Hanley Wood, LLC, new home sales declined by 10 percent during the past 12 months to 4,375 homes sold compared with 4,875 homes sold during the previous 12-month period. The average sales price declined by 6 percent, from \$224,800 to \$212,500, during the same period.

New single-family home construction activity, as measured by the number of permits issued, continued to

decline during the past year because of job losses and soft housing market conditions. According to preliminary data, 4,225 homes were permitted during the 12 months ending May 2011, a decrease of 330 homes, or 7 percent, from the same period a year earlier. The number of single-family homes permitted peaked in 2005 at 27,650 and declined every year until reaching a historic low of 3,925 homes permitted in 2009. An average of 11,250 homes was permitted annually from 2005 through 2010.

The rental housing market in the metropolitan area is currently soft, but conditions improved significantly during the past 2 years. According to Real Data, the apartment vacancy rate was 7.5 percent in May 2011, down from 9 percent in May 2010 and a record high of 10 percent in May 2009. Approximately 7,175 apartment units were absorbed during the past 2 years, following 3 years of negative absorption. Average rent increased to approximately \$840 in May 2011, a 2 percent increase from May 2010, the highest growth since 2006. The USF Tampa campus, which enrolls approximately 40,450 students, significantly impacts the local rental market. The campus houses an estimated 3,550 students; the remaining 36,900 students reside mainly in off-campus apartments, representing approximately 20 percent of renter households in Hillsborough County. According to Real Data, the Tampa-Northeast-1 submarket, where the USF Tampa campus is located, had an 8.8-percent apartment vacancy rate in May 2011, down significantly from 11.8 percent in May 2010. The average rent was approximately \$850, up 2 percent from the previous year.

Although the rental market is improving, new multi-family construction is still minimal. The significant number of condominiums and single-family homes that remain available for rent after overbuilding from 2003 through 2005 contribute to soft rental conditions. According to preliminary data, approximately 1,875 multifamily units were permitted during the 12 months ending May 2011, a decline of 880, or 32 percent, from the previous 12-month period, which is fewer permits than in any other year in the past decade. During the past 3 years, an average of 3,225 multifamily units was permitted annually. According to Real Data, as of May 2011, 2,350 apartments were under construction in the Tampa area. Colonial Grand at Hampton Preserve, a \$58 million apartment complex currently under construction in north Tampa, will consist of 486 one-, two-, and three-bedroom units, with completion expected in the fourth quarter of 2012 and move-ins beginning October 2011.

Victoria, Texas

The Victoria metropolitan area consists of Calhoun, Goliad, and Victoria Counties. Located along the Texas Gulf Coast, Victoria is about a 2-hour drive from Houston, San Antonio, Austin, and Corpus Christi. The largest

private employers in the metropolitan area are Formosa Plastics Corporation, USA, Inteplast Group, Ltd., and DeTar Healthcare System, which employ approximately 1,500, 1,300, and 1,000 people, respectively. Formosa Plastics and Inteplast Group are part of the petrochemical industry, which significantly impacts the local economy.

As of July 1, 2011, the Victoria metropolitan area had an estimated population of 116,800. Approximately 66 percent of the population resides within Victoria County. Since 2008, the population has increased by an average of 0.8 percent annually compared with an average of less than 0.6 percent annually for the years 2005 through 2007. From 2005 through 2007, net out-migration averaged 150 people a year, but since 2008 this trend has reversed and in-migration has averaged 175 people a year. The development, beginning in 2008, of the Eagle Ford Shale, a large natural gas and oil field, is driving much of the recent in-migration. Victoria is home to the University of Houston-Victoria (UHV), which will become a 4-year university in 2011 after previously having courses for only juniors and seniors. The university's enrollment has increased by 950 students, or 28 percent, since 2009 and is expected to double, to nearly 8,000, by 2019. The Port of Victoria and Port Lavaca handle more than 12 million tons of cargo a year. The ports directly and indirectly support more than 25,000 jobs, with an annual economic impact of more than \$3.7 billion, according to the Center for Transportation Research at the University of Texas at Austin.

In December 2008, nonfarm payroll jobs in the Victoria metropolitan area began a decline that continued until April 2010, when job levels began to stabilize. Nonfarm payrolls increased during the 12 months ending April 2011 by 700 jobs, or 1.4 percent, to 49,300. The largest employment increase for the 12 months ending April 2011 occurred in the mining, logging, and construction sector, which added 600 jobs, reflecting a 9-percent growth. Job growth in this sector is driven by development of the Eagle Ford Shale, which in 2010 produced 79 billion cubic feet of natural gas and more than 3 million barrels of crude oil. Caterpillar Inc. has started construction of a new hydraulic excavator plant, which is expected to add about 500 permanent jobs to the local economy during the next 2 years. The education and health services sector increased by 300 jobs, or 4.4 percent, for the 12 months ending April 2011. Nonfarm payrolls in the government sector, which accounts for 18 percent of all jobs and is the largest sector in the metropolitan area, were down by 1.1 percent during the 12 months ending April 2011. The average unemployment rate during the 12 months ending April 2011 was 7.4 percent, down from 7.7 percent during the 12 months ending April 2010.

The sales housing market in the Victoria metropolitan area is currently soft. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending April 2011, the number of new and existing home sales remained flat at about 740 but was inflated by a large number of sales in May 2010 due to the expiration of the first-time homebuyer tax credit. For the 3 months ending April 2011, home sales declined 15 percent, to approximately 170 homes sold, compared with the same period in 2010. During the 12 months ending April 2011, the average sales price increased 5 percent, to \$145,000. Despite significant declines in prices in other areas of the country, the most recent 12-month average sales price in the metropolitan area is higher than the average in any year previously recorded. During the 12 months ending April 2011, new home construction, as measured by the number of single-family building permits issued, remained virtually unchanged from the past several years, at 100 units, based on preliminary data. About 80 percent of new home construction in the metropolitan area in the past few years has occurred on the north side of Victoria in the vicinity of U.S. Highway 77, with new home prices averaging \$168,000.

Rental housing market conditions are currently soft, but improving. The rental vacancy rate in the metropolitan area is estimated at 8.3 percent, down from 10.7 percent in the 2010 Census, primarily because of the recent growth in the number of construction and mining jobs. Student enrollment increases at UHV, which has added only 180 beds in dormitory rooms over the past 2 years, have impacted the apartment housing market significantly. It is estimated that UHV students currently account for about 15 percent of apartment rentals in Victoria. In the first quarter of 2011, the apartment market was much tighter than the overall rental market, with an estimated apartment vacancy rate of 4 percent. Most of the apartments in the metropolitan area are in the city of Victoria. Students and newly relocated workers who want to live near services are driving down the vacancy rate within the city, while many single-family and mobile homes available for rent in the outlying areas are not occupied. The average rents are \$540, \$650, and \$740 for one-, two-, and three-bedroom apartments, respectively. Point Royale Apartments, a 120-unit, market-rate property, is under construction and expected to be completed by July 2012, with expected rents of \$700, \$925, and \$998 for one-, two-, and three-bedroom units, respectively. Before the issuance of building permits for this development, no market-rate apartments had been permitted since 1998. Only two low-income housing tax credit developments, totaling 280 units, have been added to the rental housing stock since 2000.



Units Authorized by Building Permits, Year to Date: HUD Regions and States

HUD Region and State	2011 Through June			2010 Through June			Ratio: 2011/2010 Through June		
	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*	Total	Single Family	Multi-family*
Connecticut	1,403	1,034	369	1,985	1,253	732	0.707	0.825	0.504
Maine	1,000	891	109	1,518	1,421	97	0.659	0.627	1.124
Massachusetts	3,402	2,052	1,350	4,264	2,654	1,610	0.798	0.773	0.839
New Hampshire	1,136	742	394	1,542	1,033	509	0.737	0.718	0.774
Rhode Island	312	259	53	404	385	19	0.772	0.673	2.789
Vermont	572	387	185	797	727	70	0.718	0.532	2.643
New England	7,825	5,365	2,460	10,510	7,473	3,037	0.745	0.718	0.810
New Jersey	6,482	3,252	3,230	6,098	3,742	2,356	1.063	0.869	1.371
New York	11,033	3,637	7,396	10,189	5,062	5,127	1.083	0.718	1.443
New York/New Jersey	17,515	6,889	10,626	16,287	8,804	7,483	1.075	0.782	1.420
Delaware	1,495	1,231	264	1,687	1,495	192	0.886	0.823	1.375
District of Columbia	2,190	154	2,036	311	25	286	7.042	6.160	7.119
Maryland	5,166	3,999	1,167	6,601	4,471	2,130	0.783	0.894	0.548
Pennsylvania	8,136	6,395	1,741	9,721	8,311	1,410	0.837	0.769	1.235
Virginia	11,226	8,087	3,139	10,867	8,937	1,930	1.033	0.905	1.626
West Virginia	774	670	104	994	827	167	0.779	0.810	0.623
Mid-Atlantic	28,987	20,536	8,451	30,181	24,066	6,115	0.960	0.853	1.382
Alabama	5,022	3,912	1,110	6,041	4,688	1,353	0.831	0.834	0.820
Florida	20,890	15,781	5,109	21,776	17,570	4,206	0.959	0.898	1.215
Georgia	9,088	7,278	1,810	9,639	8,524	1,115	0.943	0.854	1.623
Kentucky	3,292	2,391	901	3,386	2,965	421	0.972	0.806	2.140
Mississippi	2,203	1,987	216	2,461	2,342	119	0.895	0.848	1.815
North Carolina	16,536	12,329	4,207	18,525	14,783	3,742	0.893	0.834	1.124
South Carolina	7,736	6,600	1,136	8,370	7,589	781	0.924	0.870	1.455
Tennessee	6,527	5,519	1,008	9,291	6,830	2,461	0.703	0.808	0.410
Southeast/Caribbean	71,294	55,797	15,497	79,489	65,291	14,198	0.897	0.855	1.091
Illinois	4,897	3,349	1,548	5,705	4,243	1,462	0.858	0.789	1.059
Indiana	5,515	4,497	1,018	6,726	5,433	1,293	0.820	0.828	0.787
Michigan	4,250	3,605	645	4,176	3,697	479	1.018	0.975	1.347
Minnesota	3,493	2,856	637	4,740	3,509	1,231	0.737	0.814	0.517
Ohio	6,184	4,726	1,458	6,867	5,721	1,146	0.901	0.826	1.272
Wisconsin	5,391	3,290	2,101	5,617	4,161	1,456	0.960	0.791	1.443
Midwest	29,730	22,323	7,407	33,831	26,764	7,067	0.879	0.834	1.048
Arkansas	3,445	1,983	1,462	3,992	2,559	1,433	0.863	0.775	1.020
Louisiana	6,495	5,135	1,360	5,625	5,268	357	1.155	0.975	3.810
New Mexico	1,985	1,847	138	2,503	2,269	234	0.733	0.814	0.590
Oklahoma	4,663	3,389	1,274	4,569	3,785	784	1.021	0.895	1.625
Texas	46,387	33,184	13,203	45,893	37,842	8,051	1.011	0.877	1.640
Southwest	62,975	45,538	17,437	62,582	51,723	10,859	1.006	0.880	1.606
Iowa	3,653	2,721	932	3,693	3,001	692	0.989	0.907	1.347
Kansas	2,235	1,625	610	2,431	2,012	419	0.919	0.808	1.456
Missouri	4,377	2,655	1,722	4,093	3,113	980	1.069	0.853	1.757
Nebraska	2,218	1,815	403	2,461	2,219	242	0.901	0.818	1.665
Great Plains	12,483	8,816	3,667	12,678	10,345	2,333	0.985	0.852	1.572
Colorado	5,894	4,505	1,389	6,050	4,800	1,250	0.974	0.939	1.111
Montana	916	666	250	1,038	765	273	0.882	0.871	0.916
North Dakota	1,866	1,045	821	1,385	1,157	228	1.347	0.903	3.601
South Dakota	1,344	1,041	303	1,612	1,217	395	0.834	0.855	0.767
Utah	4,126	3,182	944	4,873	4,012	861	0.847	0.793	1.096
Wyoming	851	699	152	1,272	669	603	0.669	1.045	0.252
Rocky Mountain	14,997	11,138	3,859	16,230	12,620	3,610	0.924	0.883	1.069
Arizona	6,005	5,294	711	7,182	6,450	732	0.836	0.821	0.971
California	22,964	11,609	11,355	21,178	13,396	7,782	1.084	0.867	1.459
Hawaii	1,334	891	443	2,185	964	1,221	0.611	0.924	0.363
Nevada	3,727	2,495	1,232	4,019	3,315	704	0.927	0.753	1.750
Pacific	34,030	20,289	13,741	34,564	24,125	10,439	0.985	0.841	1.316
Alaska	467	372	95	480	392	88	0.973	0.949	1.080
Idaho	1,833	1,614	219	2,806	2,453	353	0.653	0.658	0.620
Oregon	3,589	2,534	1,055	3,947	3,173	774	0.909	0.799	1.363
Washington	10,106	6,977	3,129	10,480	7,975	2,505	0.964	0.875	1.249
Northwest	15,995	11,497	4,498	17,713	13,993	3,720	0.903	0.822	1.209
United States	295,831	208,188	87,643	314,065	245,204	68,861	0.942	0.849	1.273

*Multifamily is two or more units in structure. Source: Census Bureau, Department of Commerce

Units Authorized by Building Permits, Year to Date: 50 Most Active Core Based Statistical Areas (CBSAs)** (Listed by Total Building Permits)

CBSA	CBSA Name	2011 Through June		
		Total	Single Family	Multifamily*
26420	Houston-Sugar Land-Baytown, TX	15,018	11,384	3,634
19100	Dallas-Fort Worth-Arlington, TX	11,671	7,291	4,380
35620	New York-Northern New Jersey-Long Island, NY-NJ-PA	11,316	2,879	8,437
47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	9,467	4,894	4,573
31100	Los Angeles-Long Beach-Santa Ana, CA	8,431	2,471	5,960
12420	Austin-Round Rock, TX	5,545	3,369	2,176
42660	Seattle-Tacoma-Bellevue, WA	5,414	3,129	2,285
12060	Atlanta-Sandy Springs-Marietta, GA	4,150	3,244	906
38060	Phoenix-Mesa-Scottsdale, AZ	3,997	3,722	275
37980	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3,317	2,332	985
39580	Raleigh-Cary, NC	3,222	2,330	892
29820	Las Vegas-Paradise, NV	3,187	2,077	1,110
45300	Tampa-St. Petersburg-Clearwater, FL	3,135	2,335	800
33100	Miami-Fort Lauderdale-Miami Beach, FL	3,043	1,716	1,327
36740	Orlando-Kissimmee, FL	2,965	2,099	866
41740	San Diego-Carlsbad-San Marcos, CA	2,932	1,300	1,632
16740	Charlotte-Gastonia-Concord, NC-SC	2,856	2,249	607
41700	San Antonio, TX	2,829	2,168	661
14460	Boston-Cambridge-Quincy, MA-NH	2,785	1,506	1,279
41860	San Francisco-Oakland-Fremont, CA	2,687	1,020	1,667
16980	Chicago-Naperville-Joliet, IL-IN-WI	2,646	1,790	856
19740	Denver-Aurora, CO	2,564	1,723	841
26900	Indianapolis, IN	2,442	1,903	539
40140	Riverside-San Bernardino-Ontario, CA	2,413	1,975	438
41180	St. Louis, MO-IL	2,238	1,599	639
47260	Virginia Beach-Norfolk-Newport News, VA-NC	2,218	1,540	678
38900	Portland-Vancouver-Beaverton, OR-WA	2,207	1,544	663
34980	Nashville-Davidson--Murfreesboro, TN	2,166	2,033	133
21340	El Paso, TX	2,076	1,713	363
18140	Columbus, OH	2,050	1,239	811
33460	Minneapolis-St. Paul-Bloomington, MN-WI	2,006	1,640	366
46140	Tulsa, OK	1,950	986	964
12580	Baltimore-Towson, MD	1,905	1,585	320
16700	Charleston-North Charleston, SC	1,861	1,369	492
27260	Jacksonville, FL	1,781	1,601	180
36420	Oklahoma City, OK	1,762	1,587	175
30780	Little Rock-North Little Rock, AR	1,662	713	949
12940	Baton Rouge, LA	1,654	1,257	397
28140	Kansas City, MO-KS	1,640	1,163	477
32580	McAllen-Edinburg-Mission, TX	1,638	1,518	120
17140	Cincinnati-Middletown, OH-KY-IN	1,588	1,284	304
17900	Columbia, SC	1,564	1,251	313
22180	Fayetteville, NC	1,529	771	758
19820	Detroit-Warren-Livonia, MI	1,471	1,240	231
38300	Pittsburgh, PA	1,452	1,355	97
35840	North Port-Bradenton-Sarasota, FL	1,326	876	450
41620	Salt Lake City, UT	1,325	1,008	317
40060	Richmond, VA	1,290	1,201	89
36540	Omaha-Council Bluffs, NE-IA	1,289	1,003	286
35380	New Orleans-Metairie-Kenner, LA	1,272	1,050	222

*Multifamily is two or more units in structure. **As per new Office of Management and Budget metropolitan area definitions.
Source: Census Bureau, Department of Commerce